The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japanese Surround Shanghai---Matsui Threatens But Tokyo Denies

ARTICLES IN THIS ISSUE

Pertinent and Pointed Censure of Air-Bombings
Open Vacant Shops for Destitute Women and Children Sleeping in Open Streets!
General Matsui's Threat "To Take Steps" Against the Settlement
Japanese Writer Insists Nippon Cannot Conquer China—Is Unequal to the Task
Arrival of Isthmian Steamer "Steel Traveler" Heralds Reopening of Port of Shanghai
Japanese Troops Now Surround International Settlement and French Concession
Japan Refuses to Participate in Brussels Conference—China Asks for Embargo
Outstanding Events from the Beginning of the War in North China
Japan's Aim in China Is a Conclusive Defeat and Dictated Peace Terms—Map of Conquests and Hopes

SATURDAY, NOVEMBER 20, 1937 VOLUME 82, NUMBER 12

THIRTY CENTS A COPY
(In Shanghai)

FORTY CENTS ELSEWHERE

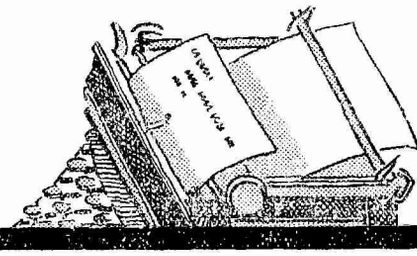
SHANGHAI POWER COMPANY

POOR LIGHT

will slow up your office routine.

Working in dull light causes eye-strain—which reacts on the entire nervous system, resulting in tiredness, headaches, and irritability.

CHECK THE LIGHTS IN YOUR OFFICE TODAY



LIGHTING REPRESENTATIVES at our Nanking Road office will be glad to advise customers on their lighting problems, without cost or obligation.

For Fast and Efficient Radio Telegraph Service to all Parts of the World Send

RADIOGRAMS

"Via RCA"

RADIO IS THE QUICKEST AND MOST RELIABLE MEDIUM FOR ALL TELEGRAPHIC COMMUNICATIONS. IT HAS BROUGHT ABOUT RATE REDUCTIONS AND INAUGURATED NEW CLASSES OF SERVICE TO MANY COUNTRIES. . . .

In CHINA file your messages "via CGRA—RCA"

(Chinese Government Radio Administration R.C.A. Communications, Inc.)

R.C.A. Communications, Inc.

(A Radio Corporation of America Service)

HEAD OFFICE FOR CHINA :— TEL. NO.
201-202 Sassoon House, Shanghai 19251

AGENCIES :—

Tientsin: 65 Consular Road	Tel: 31430
Hankow: N. K. K. Bldg. 1 Bund	Tel: 21775
Hongkong: Dina House	Tel: 30692

GARGOYLE

CHANGE TO WINTER GRADE

Mobiloil

A STANDARD-VACUUM PRODUCT

82-308

SOME RECENT ADDRESSES
OF THE GENERALISSIMO
AND MADAME

CHIANG KAI-SHEK

Six Chapters

I — Preface—The Sian Incident
II — Introduction—Gen. Chiang Kai-shek
III — Economic Reconstruction of China
IV — Railway Development and National Salvation
V — China's New Life Movement
VI — Finding the Voice of China
VII — A Broadcast to U. S. A. by Madame Chiang
Seven Full Page Illustrations

A new book of 86 pages, well printed and handsomely bound, can be read in a couple of hours. It provides an excellent insight into recent developments and helps to understand the Sian incident and the recent reunion of Kuomintang and Communists.

Price: $3.50, including postage, if mailed to addresses in China, Hongkong or Japan.
U. S. $1.50, if mailed to America or Europe.

Send orders to

THE CHINA WEEKLY REVIEW

OR ANY BOOKSTORE

CRADLE OF FUTURE WORLD CONFLICT DEPICTED IN NEW

MAP OF CHINA AND JAPAN

SHOWING VITAL REGIONS IN ASIA OF INTERNATIONAL RIVALRIES

60 by 38 In. In Six Colors With English Names

ACCURATE —— COMPREHENSIVE

SHOWS ALL EXCEPT WESTERN CHINA, THE JAPANESE EMPIRE AND ITS MANDATED ISLANDS AND RUSSIAN SIBERIA EAST OF LAKE BAIKAL

COMPILED FROM THE LATEST AUTHETIC SURVEYS AND MATERIALS FROM CHINESE, JAPANESE, RUSSIAN AND BRITISH SOURCES

THE JIH-SIN GEOGRAPHICAL INSTITUTE, PUBLISHERS

Price. $4.00 in China (Postage extra $0.15)
G.$3.00 Abroad (Postage extra $0.50)

SEND POSTAL MONEY ORDER OR CHECK TO THE

CHINA WEEKLY REVIEW

160 Avenue Edward VII, Shanghai

CUSTOMS NOTIFICATION No. 1623.

The public is hereby notified that in accordance with Government instructions the exportation abroad and to Manchuria and Dairen of capsicum is prohibited.

Chu Chang-nien,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 13th November 1937.

CUSTOMS NOTIFICATION No. 1624.

The public is hereby notified that, in accordance with Government instructions, drawn-thread work, cross-stitch work and embroideries and lace and trimmings (Interport Tariff headings No. 196 and 197) will be exempted from interport duty from the 13th November 1937.

Chu Chang-nien,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 13th November 1937.

The
CENTRAL BANK OF CHINA

A BANKERS' BANK

SHANGHAI OFFICE:

15 The Bund, Shanghai

Telephone 12570-9 Cables: "Governbank"

BRANCHES:

NANKING	*Chuhsien*	Swatow	NANCHANG	Lanchow
Hsuchow	AMOY	TIENTSIN	*Chi-en*	Kweiyang
Panpu	Foochow	Peiping	*Fuchow*	CHUNGKING
Sinpu	*Chuenchow*	*Shihkaichuan*	Kiukiang	Chengtu
Chinkiang	*Yenping*	Tsingtao	Chengchow	*Wanhsien*
Yangchow	*Kien-ow*	Tsinan	Kaifeng	*Santai*
Hsiakwan	*Pucheng*	Pengpu	*Loyang*	HANKOW
HANGCHOW	*Santu*	Wuhu	Sian	*Wuchang*
Ningpo	CANTON	Anking	*Nancheng*	Changsha

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA, AND HONGKONG

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China

密勒氏評論報
The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

Volume 82 | Shanghai, China, Saturday, November 20, 1937 | Number 12

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; FRANK GAPP, Financial Editor; TRYPHON V. KU, Advertising Dept.; F. K. CHAO, Business Dept.

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs

Pertinent and Pointed Censure of Air-Bombings... 263
Open Vacant Shops for Destitute Women and Children Sleeping in Open Streets! 264
General Matsui's Threat "To Take Steps" Against the Settlement 265
Japanese Writer Insists Nippon Cannot Conquer China—Is Unequal to the Task 267

Special Articles

Arrival of Isthmian Steamer "Steel Traveler" Heralds Reopening of Port of Shanghai..... 269
Japanese Troops Now Surround International Settlement and French Concession..... 271
Japan Refuses to Participate in Brussels Conference—China Asks for Embargo 274
Outstanding Events from the Beginning of the War in North China 277
Japan's Aim in China Is a Conclusive Defeat and Dictated Peace Terms .....By Nathaniel Peffer 280
Men and Events 288
New Books of Interest in the Far East 289

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

PERTINENT AND POINTED CENSURE OF AIR-BOMBINGS

ADMIRAL Harry E. Yarnell, Commander-in-Chief of the U. S. Asiatic Fleet recently was a luncheon guest of the British Royal Air Force Association in Shanghai, composed of Britons who served in the aviation branch in the World War. In the course of a brief address, Admiral Yarnell stated that he had been deeply grieved by the sight of so much destruction in and around Shanghai in the present hostilities and expressed his wonder when mankind would realize the proper uses of aviation. He stated that there are rules for warfare as much as for any other activity, hence it was distressing to see the wanton destruction of property and lives of non-combatants by the bellierents and to realize the helpless plight of non-combatants here in Shanghai. Elaborating, he declared that rules of warfare must be observed and indiscriminate bombings and shelling should be studiously avoided. He expressed the opinion that bombing did not play the important part in war that people imagined and, more often than not, had the reverse effect of stimulating resistance rather than weakening it. He stated that no useful purpose was fulfilled by wanton destruction of the property of non-combatants and said it was about time that the nations of the world realized that aviation had far more uses than for the wholesale destruction its operations had effected. In conclusion he remarked that in the next war he would rather be in the position of a belligerent than a neutral because it might not be so dangerous!

About the time the American Admiral delivered the foregoing address, the U. S. diplomatic authorities called the attention of the Japanese to the large number of American missionary doctors attending wounded soldiers and civilians in a half-dozen and more regular and emergency hospitals in Soochow, and requested the Japanese to cease their indiscriminate air-bombings of that city. The Japanese replied to the American protest by dropping some 700 more bombs in the city

a few days later—forcing a general evaucation of most of the civilians who were able to walk—what happened to the thousands of wounded in the city is not yet known as most of the American doctors were compelled to depart. It was reported that most of the roads leading toward the west or toward Nanking were filled with thousands of refuges trying to get away from Japanese terrorism and as they were exposed along the roads they probably provided further targets for playful Japanese pilots operating in the vicinity.

OPEN VACANT SHOPS FOR DESTITUTE WOMEN AND CHILDREN SLEEPING IN OPEN STREETS!

ON Tuesday night of this week, after the curfew hour (11:30 P. M.) when the streets were practically deserted excepting a few policemen at the intersections the writer counted 63 destitute Chinese sleeping on sidewalks, in alleyways, on doorsteps or window-sills. These destitute persons were counted—with the aid of a Chinese assistant carrying a flashlight—on the four sides of the block where the office of *The China Weekly Review* is located, No. 160 Avenue Edward VII.

Conditions in this block, directly opposite the French Concession and one block back from the Bund probably are no better or worse than elsewhere in the city. A considerable portion of the block, facing Avenue Edward VII, is occupied by lage buildings built flash with the sidewalk, hence there is no place for refugees to find a shelf on which to sleep and furthermore, should one attempt to climb on a window ledge the night watchman would drive him away.

Tuesday night, following a heavy rain which had thoroughly soaked most of the refugees, fortunately had turned warmer, but the conditions were pitiable, particularly among the women and children. Many children were crying, some were coughing as though on the verge of croup or pneumonia. Several of the babies were practically naked. Many adults without even ragged blankets had wrapped themselves in straw matting. One group, apparently a family had stretched a piece of ragged cloth across a doorway and thus enjoyed a slight degree of privacy and protection from the wind. How so many persons, men, women and children, could nest themselves on two or three narrow stone steps and manage to sleep there, is beyond our power of descriptions but experience leads to perfection, even in the matter of sleeping on a sidwalk or in an alleyway on the cobblestones, with only a thin ragged cotton blanket as protection against weather which has become sufficiently cold to cause most persons to don woolens and overcoat.

These refugees were not of the beggar class. Several little children, awakened by the flashlight, were too frightened to accept the coins which the writer offered. They were rank and file Chinese of the peasant class driven from their homes in Yangtszepoo, Wayside, Hongkew, Chapei, Pootung, Nantao or a dozen other places in the vicinity of the city which have been ravaged by the Japanese with their airbombers or artillery or perhaps they were driven from their homes by the devastating fires set by incendiary bombs or arsonists who used more prosaic methods—a can of kerosene and a match. Admitted of course that many of the fires were set by Chinese troops to cover their retreat, but there is no point in arguing now about who started the fires.

It was the Japanese who brought the war to these shores; hence no argument is required to assess the guilt. After observing these poor, defenseless, suffering people, the writer returned to his office and picked up an English language newspaper and on the front page saw a head-line announcing that some Japanese general had donated a few thousand yen to relieve suffering in Nantao—the cost of a half-dozen of the heavy air-bombs dropped by Nippon's bombers in that district!

But this is not a charity appeal—it's a suggestion for relieving distress that could be applied throughout the city by the police without expense to anyone. On the four sides of the block wherein our office is located the writer observed approximately a half-dozen vacant shops or stores wherein these refugees, particularly women and children, could be housed at night—without cost to anyone. The police could easily supervise the opening of the doors to admit the unfortunates at night and clear them out and lock the doors the following morning. Actually it is difficult to see where any harm could result from permitting refugees to occupy vacant property, particularly unoccupied buildings customarily used for small retail stores in more prosperous times.

To be specific there are at least a half dozen vacant retail rooms on both sides of Kiangsi Road near Avenue Edward VII. The buildings have been vacant for many months, long before the outbreak of the war; hence there can be no immediate prospect of renting them. At present there are dozens of homeless refugees sleeping on the steps of these vacant shops. What harm could result from opening the doors and permitting these unfortunates to sleep inside on these cold and rainy nights when most of the readers of these paragraphs are sitting about comfortable fireplaces or at least reside in a building possessing four walls and a roof. In any occidental city the refugees probably would take matters in their own hands and force entrance to these vacant premises. Here the refugees are too meek or have been benumbed by their sufferings until they can do nothing except sit and dumply await death by starvation or by disease resulting from exposure to the elements.

General Matsui's Threat "To Take Steps" Against the Settlement

IN a reference to Gen. Iwane Matsui which appeared in last week's issue of *The Review*, the statement was made that up to that time the commander-in-chief of the Japanese forces in Shanghai had restricted his interviews to German and Italian correspondents. But before last week's issue reached its readers, Gen. Matsui sent for the heads of the various press services represented in Shanghai, *Reuters*, *Associated Press*, *United Press*, *Havas*, *International News*, etc., and in an enigmatic interview gave them his impressions of Shanghai and his reactions respecting the interests and activities of foreign (occidental) nationals here as represented in the International Settlement.

General Iwane Matsui

Gen. Matsui, now 64 years of age, was described by the local Japanese Army spokesman, Major Naokato Utsunomiya, as one of the two leading Japanese military authorities on China, the other being Gen. Banzai recently retired from active service. Practically all of Gen. Matsui's career has been in China where he served as military attache in Peiping or as "special service" officer in various parts of the country. Prior to assuming his present post he commanded the Japanese forces in Formosa and assisted in the establishment of a base and formulation of plans for the widely discussed "southern expansion" program. He attended the last Disarmament Conference at Geneva as head of the Japanese army delegation and recently was appointed to the Supreme Military Council. He received his first military experience in the Russo-Japanese War.

While Gen. Matsui's interview has constituted almost the sole subject of conversation in Sino-foreign circles in Shanghai for more than a week, for some inexplicable reason no foreign newspaper in the city has published his full statement. The *Evening Post* (American) and *Shanghai Times* (British) published brief summaries of the interview but it was ignored entirely by the other foreign papers and also the Chinese newspapers. The following complete text was circulated by the *United Press* through its Financial News Service:

MATSUI ANNOUNCES HE IS PRESENT MASTER OF SHANGHAI

SHANGHAI, Nov. 11.—General Iwane Matsui, Commander of the Japanese Expeditionary Forces in the Shanghai Area, today told correspondents he was now virtual master of Shanghai and felt free to take "any steps" dictated by military necessities, in the International Settlement as well as in the Chinese territory surrounding it.

Parrish in the Chicago Tribune

General Matsui said he preferred not to interfere with the rights of foreign countries and that he would protect interests within boundaries of the Settlement. However, he complained over "lack of co-operation" on the part of Settlement authorities and intimated they were pro-Chinese.

Military operations obviously would be impossible in the French Concession as it was a concession, General Matsui said. However, he failed to see the distinction between the International Settlement on the north side of Soochow Creek and on the south side of the Creek.

"I make no distinction between the two districts," the Japanese Commander said. "We cannot see any difference simply because there is a creek in between."

Military needs, according to the General, might dictate Japanese control of censorship as well as of

Maritime Customs, although he said neither step was being contemplated at present.

General Matsui is spare in build and wears no medals. He managed mysteriously to produce a powerful voice from a slight frame. A classmate of such famous Japanese generals as Araki, Honjo and Masaki, General Matsui is a leading proponent of Pan-Asianism. He was once chief military delegate from Japan to Geneva.

The correspondents this morning were received in a completely bare room, formerly a school room, which was decorated only with deal chairs, a sheet-covered table and three paper-covered vases of crysanthemums.

"When I left Japan I thought to do my best to co-operate with the officials of other nations at Shanghai," General Matsui said at the opening of the press conference.

"It has been almost two-and-one-half months since then," he continued. "The situation has changed in London, Washington, Paris and Brussels and I am a little disappointed in what the officials of other countries here in Shanghai say and do.

"I am afraid now that I cannot accomplish co-operation with these officials as I then hoped," General Matsui continued. "I think this is very unfortunate for the peace of the world, but for the sake of military operations this cannot be changed as long as the attitude of other powers remains unchanged."

When asked to clarify his remarks, the Japanese Commander calmly said, "If other people meditate over what I have mentioned, they will know its meaning."

Asked to provide his own interpretation, he said, "I don't think it is necessary either to correct or interpret my remarks." Suddenly grinning and showing a tooth-gap in his upper jaw, General Matsui leaned toward the correspondents and asked, "Do you think the International Settlement is carrying out its duty of neutrality?"

Growing alternately amused and serious as he discussed political and military subjects, General Matsui embarrassingly asked the correspondents for their opinions.

"I have no intention of taking advantage of the present state of things—the violation of neutrality and the favoring of the Chinese—in order to take the International Settlement in my hands, but as things have gone, I have been disappointed and am afraid co-operation cannot be obtained," said the General.

Asked what steps the authorities of the International Settlement should take to prevent his feeling the need to "take steps", General Matsui said, "The fundamental thing for them to understand is that Japan is not an aggressor, but came here to rescue the civilian population of China.

"As I understand it, the Shanghai Municipal Council took no action regarding the unfortunate things which occurred in the district under their control," he continued. "They should reconsider their attitude and their responsibility."

According to the Commander, it is up to the various powers concerned with developments in Shanghai to protect their own rights and interests. He said he was unable to accept responsibility for their protection.

Asked whether there would be any interference with foreign powers, General Matsui answered, "Generally speaking and as a principle, I respect the interests of third Powers, but if the necessity arises, we shall have to take steps to remedy the situation."

General Matsui refused, on the grounds of "diplomatic etiquette", to specify which officials of what nations had failed to "co-operate". However, correspondents noted that in his references to the changes in the European situation, the General failed to mention either Berlin or Rome.

Despite his reference to the impossibility of "military operations" — presumably meaning through policing — in the French Concession as distinguished from the International Settlement, General Matsui's criticisms generally referred to the Concession as well as the Settlement.

The Commander said the Japanese intended to use Soochow Creek to transport supplies to the west, although part of the Creek passes through the Settlement. "I am confident that will not infringe on the Settlement," he said.

In answer to a question regarding cable censorship, General Matsui said, "At present I have no intention of interfering as the Chinese do. But that also depends upon the attitude of those sending cables and letters. There might be an occasion when, because of military necessities, we would be compelled to censor."

Queried regarding the Maritime Customs, the General replied, "Although I am not thinking of that yet, I might consider it later."

The General said that, whatever Japan may do, "nothing brutal or foolish will happen here."

Questioned as to whether the Japanese would ask for the arrest of Chinese officials now in the International Settlement—it was recalled that Mayor O. K. Yui and Mr. T. V. Soong both reside in the French Concession—the General said, "I am not opposed to Chinese officials taking refuge in the Settlement, but if the necessity arises, we must take necessary steps."

In regard to the absence of distinction between the sections of the International Settlement north and south of Soochow Creek, the Japanese Commander pointed out that military operations had long been under way in the Settlement north of the Creek.

General Matsui refused to answer questions of a political nature, such as regarding the administration of conquered territory and final peace terms. Replying to a question about the latter, he said, "That is up to the Government—not to me."

He refused to make any further prediction as to the duration of hostilities. It was recalled he had predicted, twelve days ago, that Shanghai would be cut off within ten days.

Asked how far the Japanese would continue their Shanghai drive and whether they intended to take Nanking, the Commander said, "For future developments, you had better ask Generalissimo Chiang Kai-shek."

Implying that it was up to the Chinese to cease hostilities, General Matsui added, "Chiang Kai-shek was reported to have predicted a five-year war—well, it might be that long. We don't know whether we will go to Nanking or not—it all depends on Chiang."

Referring to the defenders of Nantao, General Matsui said, "In a way their bravery may be praised, but we are not sure whether they are resisting of their own will or whether they ware forced to resist—probably the latter."

He said he held off the attack on Nantao to permit the defenders to reconsider.

"Since there was no sign of retreat," the General continued, "I ordered that necessary steps be taken immediately. We can clean up Nantao in a day or two."

The General expressed the opinion that the Shanghai area would be "quieter a month hence". He was referring to the necessity for fighting at Liuho, Kaiting and other northern points.

According to the General, there were a considerable number of Communists and plain-clothesmen in the Settlement and the French Concession whom he did not fear, but, he said, "if they interfere with military operations, steps must be taken."

***

As a result of the publication of his interview abroad and the ensuing widespread criticism in the newspapers of the United States, Great Britain, France and other European countries, the spokesman of the Tokyo Foreign Office issued an announcement on November 17 claiming that Gen. Matsui was "misquoted." The spokesman, according to a *Reuter* report, said that Gen. Matsui had not expressed any idea of occupying the International Settlement "south of Soochow Creek."

Among the rumors set in motion by the Matsui interview was one to the effect that Japan is planning to seize territory, including all parts of the Settlement north of Soochow Creek, the Municipality of Greater Shanghai including the Civic Center and extending Northward to the Yangtsze at Woosung, for a Japanese Concession. This was being done in retaliation for the refusal of the authorities "south of the creek" to co-operate. Elsewhere it was rumored that Gen. Matsui was trying to frighten the delegates at Brussels, commit his own government to the Army's program here, and in addition he was showing his personal resentment at the action of the Settlement authorities in refusing the Japanese permission to use Soochow Creek for transporting military aupplies and also the action of the Anglo-American commanders in instructing their respective forces in "fire back" in the event of attack by Japanese air-bombers or airplane machine-gunners.

Japanese Writer Insists Nippon Cannot Conquer China—Is Unequal to the Task

"THE only unity of purpose in China today is in resistance of foreign encroachment, but it is a unity of purpose which no temporary expedient can destroy. . . . The real alternative to co-operation on a basis of equality with which Japan is faced is . . . the grim one of outright conquest. She is not equal to the task, as no nation has ever been equal to the task."

So writes Sobei Wogi, distinguished Japanese scholar, in his book on "The Problem of the Far East," written in collaboration with H. Vere Redman.* Mr. Mogi's book, written a year ago, is far removed from the general run of Japanese books on the present situation, in most of which professional and unscrupulous propagandists for the Japanese military clique present false and misleading accounts and arguments under the pretense that "Japan" speaks. In this book, on the contrary, there is a scholarly presentation of actual conditions in Japan as well as in China; the various Japanese groups—the militarists, the capitalist elements, the industrial workers, the peasants—are all considered, with their varied attitudes and interests; in China also, both the Nanking and the Communist groups are given intelligent consideration—though of the period about 1934, prior to the submission of the Chinese Communists and their renunciation of the agrarian revolution. Today the Chinese unity of which Mr. Mogi writes is far more real and powerful than three years ago, making even more hopeless the Japanese military dreams of the conquest of China.

The book opens with a Chinese classical quotation—"To centralize wealth is to disperse the people, to distribute wealth is to collect the people"—which is elsewhere in the book referred to as "the core of modern socialism." This problem, they state in their preface, "arises from the economic distress of Japan and the political and economic subjugation of China. The former has chosen policies of nineteenth century imperialism as a solution of her internal difficulties, whilst China has passively resisted both Eastern and Western imperialism. . . ." Since this book was written, Chinese resistance has gone from a passive to an extremely active stage in reference to Japanese imperialism.

With all deference to Mr. Redman, an able Tokyo correspondent and observer of things Japanese, it is evident that the book is mainly the work of Mr. Mogi, author of a most scholarly study of Federalism, as well as of other books. The study of "Modern Japan," which constitutes "Part I" and takes up more than half of the book, is clearly the product of this Japanese scholar. It includes a "general survey of social, political, and economic development from the Meiji restoration (1868) to 1890," another chapter on "political institutions," one on "economic institutions," one on "labour and socialist movements," one on "general social conditions," and one on "problems of modern Japan." Many sections are worthy of quotation in full, for instance the author's careful analysis of the Japanese Government itself—"not an absolute monarchy but a quasi-constitutional oligarchy . . . . The Japanese theory and practice of monarchy produces neither absolutism nor democracy. It simply reinforces the regency of the powers 'behind the curtain,'" —the militarists. "The traditional influence of the military and the constant fear of the resignation of the Service Ministers have been and are the first considerations of any Government." As for the officers of the Army and Navy themselves, they are professionally" animated by the 'guild spirit,' while for the rest they are influenced by a simple and somewhat pathetic romanticism which they translate into a political cread."

This is, indeed, one of the great and serious difficulties. It is not merely Japan's economic difficulties—which indeed are mainly the product (aside from overpopulation) of military burdens in a country poor in iron, oil, and other resources necessary for military purposes—which are behind the "urge to expansion." The lowering of Western tariff barriers, indeed, would contribute to Japan's economic salvation through "the expansion of her international trade, to which perhaps the resources of Manchoukuo can contribute a little, but to which further political imbroglios can contribute nothing at all." This is clear. "But the psychological *élan* of her military rulers, a product of the feudal tradition and its impact on modern capitalism, is a less calculable factor. Utilitarian motives in a nation's leaders are perhaps less engaging than those of patriotic feudal heroism, but they are also less dangerous. . . . Defiance and defeat of the Western nations present themselves to such minds as a spiritual necessity divorced from material needs. There lies the danger while, as at present, Japan moves towards the Fascist corporate state under leaders whos emotions dominate in the final analysis their reasoned judgment."

Such aspirations to defy and defeat the West have been strengthened by the failure of Western Powers to forcibly resist Japan's invasion of Manchuria. "The most assertive among the chauvinists" interpret this as demonstrating that "Japan was so strong at the time that no power dared challenge her. They go on to conclude from this that as now, with ready access to Manchurian resources and a larger armament establishment, she is considerably stronger, therefore no power will dare challenge her in the future and thus she can proceed still further with her expansionist policy on the continent."

The authors of this book, however, demonstrate conclusively the fallacy of this belief. The failure of Western Powers to resist the Manchurian invasion "is no guarantee that resistance might not be forthcoming in the future. . The Powers opposed to Japan are by no means in the position as they were in 1931. Their motives are the same, but their strength is greater and much more united. Thus the possibilities of conflict, if Japan pursues an expansionist policy in defiance of their views, is to that degree greater." This is quite aside from the resistance now being presented by the Chinese themselves, though to this also the fundamental economic argument applies:

"Strength today is initially estimated by a counting of armaments, but it is finally estimated by a counting of economic resources. The chapters on Japan have shown what her resources in that regard were and are, namely, such as to render her able to do a great deal of initial damage to the interests of the Western Powers in the Far East, but unable to sustain a prolonged campaign wherever it was waged. Japan was and is neither invulnerable nor invincible."

Considering the generally sound, well-reasoned, and well-informed nature of this book, there are some surprisingly weak sections and many errors—not in relation to the present situation, but in relation to earlier history. The factual presentation of modern Japan (Part I), modern China (Part II), and international relations in the Far East (Part III) are all good; the chapter on

* *The Problem of the Far East. By Sobei Mogi and H. Vere Redman. Victor Gollancz, Ltd., London.*

"Problems of Modern China" is excellent. But as regards history, only that of Japan shows scholarly accuracy, and even this contains errors with regard to Japan's foreign relations—as when the authors declare (evidently in good faith) that in 1894 "Chinese troops were sent into Korea without notice having been given Japan." The critical reader would do well to skip the preliminary survey of Chinese history, and there are some inexplicable historical errors elsewhere as well—in connection with the establishment of foreign privileges in China, with Russian history in the Far East, and elsewhere. But the errors are in no case vital to the general theme of the book,—the real situation in the Far East, and its possibilities.

There is no doubt of the fundamental facts presented in this work. Japan cannot conquer China: it is too vast a task for the little island Empire with its limited resources. As regards China's economic and political problems, these "must be dealt with by the Chinese .... The problem of modern China, as far as foreign help is concerned, is how to secure advice without domination." When Mr. Mogi wrote, indeed, he noted that "one group of Chinese leaders might come to terms with Japan on a basis of realistic recognition that she is now the only effective imperialist power in the Far East, as seems to be happening at the present time" (1934). But, he declares emphatically, "that group would not survive."

On the other hand, he is fully aware that mere reason and economic considerations are not likely to turn the Japanese militarists from the path they have chosen. "Whether or not reason is to be given priority to force, it is clear that without the aid of a creative democracy evolved from a harmonious synthesis of reason and force, nations must remain blind to the vainglory of imperialism." It is unfortunate, indeed, that Mr. Mogi is not one of the gentlemen who are guiding Japanese policy today. If, however, the Japanese militarists continue their present mad adventure for another year, and organized Chinese resistance continues, he may well be one of the rational leaders of a *democratic* Japan. Economic facts cannot be forever ignored.

H. H.

Great Britain and Holland Agree on Plan of Defending Their Far Eastern Possessions

The Diplomatic Correspondent of the London *Sunday Times* Nov. 14 stated that "since the outbreak of hostilities in China certain arrangements for cooperation in the defence of their eastern possessions have been reached between Great Britain and Holland." The arrangements, it is believed, are the result of talks held in the Far East, between the British and Netherlands naval authorities, he declares. "It is vital to British interests," the correspondent concludes, "that the Netherlands East Indies do not lie in the hands of a potentially hostile Power."

David Darrah, the *Chicago Tribune's* correspondent in London, Oct. 9 wroted that Dutch statesmen rely on British protection of their vast colonial empire in the Dutch East Indies, rich in oil and rubber, through a secret treaty. Under this treaty Britain guarantees the neutrality of the islands.

Through the clauses of this secret treaty, which dates from 1848 and which probably has been implemented since then, the Dutch are able to call on the British to defend their far-eastern possessions should they be attacked.

Not relying entirely on this treaty, however, Queen Wilhelmina of the Netherlands recently announced to the Dutch parliament that further provision would be made for increasing armament in Holland and the Dutch East Indies in view of Japan's onslaught on China. The British-Dutch treaty is interesting because it provides another back of the scenes political slant on what is going on in the far east. For it is generally known that Japanese expansion in China, and perhaps later on toward the Dutch East Indies and points southward in the Pacific routes, will require a grabbing of Dutch oil.

Japan's purchases of Dutch East Indies oil supplies are increasing by leaps and bounds. For this reason there long has been a tacit deal between the Dutch and British for pooling their defensive interests in the island waters east of Singapore.

Flying Schedules Revised for South China Lines

The flying schedules and itineraries of the Canton-Hanoi and Canton-Yungning (Nanning) air lines have been temporarily revised. On the Canton-Hanoi Line, the plane flies from Kweilin to Hanoi via Wuchow, Nanning, and Lungchow, on every Wednesday and Friday, and returns from Hanoi to Kweilin via Lungchow, Nanning, and Wuchow on every Thursday and Saturday. On the Canton-Yungning Line, the plane flies from Kweilin to Wuchow via Liuchow and Nanning on every Monday and returns from Wuchow to Kweilin direct on the same day.

Ramsay MacDonald's Death Recalls Manchurian Occupation

JAMES Ramsay MacDonald, one of the outstanding leaders of Socialism and the political labor movement of England until his desertion of his old cause in 1931, died at sea from heart failure on November 10, while en route to South America. Mr. MacDonald was 71 years of age at the time, having been born in 1866, and was making the voyage for the benefit of his failing health.

Ramsay MacDonald was faced from his birth with economic and social difficulties similar to those which faced Abraham Lincoln. In some ways they were greater, as while Lincoln's parents lived together and provided for him, MacDonald was brought up by his needy mother and grandmother. He early became a Socialist, joined the labor movement, and in 1900 became secretary of the Labor Party. In 1906 he was elected chairman of the Independent Labor Party, a distinctly socialist group cooperating closely with the more broadly-based Labor Party. Mr. Atlee, present leader of the British Labor Party, in a final tribute in Parliament on November 12 declared that Ramsay MacDonald "was one of three or four men most responsible for the creation and development of the Labor Party. He spread the gospel of Socialism at a time its adherents were few and its opponents strong and apparently impregnably entrenched."

When the British Government went to war with Germany in 1914, MacDonald showed real courage and strength of character by defying the officially encouraged patriomania which gripped most of his countrymen—and even most of his comrades,—and he strongly and emphatically denounced the war.

Conditions in England—and in the world—following the peace, however, completely vindicated MacDonald's attitude; in 1922 he was returned to Parliament as part of a big Labor advance, and his courage and devotion to labor and socialist principles during the War was rewarded by his election to the chairmanship of the Party. The following year, when the first Labor Government was formed, he was chosen as Britain's first Labor Premier.

Mr. MacDonald's death recalls the immediate repercussions upon China of the fall of the Labor Government in 1931. The Conservative Government in Great Britain in 1928 had reached a secret understanding with Japan for close contact and co-operation in relation to China, this being admitted by the British Foreign Office in Parliament in November of that year. When the Conservative Government fell the following May, and a Labor Government came in, Japanese policy with relation to China changed; the Japanese bureaucracy dismissed the aggressive Tanaka and brought in the moderate Shidehara. But with the fall of the Labor Government in August 1931, the Japanese could again be confident that there would be no British interference with their activities in Manchuria. The following month the Japanese military invaded China's northeastern provinces, and Secretary Stimson's efforts to obtain British collaboration in opposition to Japan's widening aggressions failed completely. The fall of the British Labor Government, the partial disruption of the Labor Party, and the grouping of all conservative elements together in the "National Government"—in all of which MacDonald played such an outstanding part—had most serious repercussions in the Far East. It is, perhaps, MacDonald's strangest legacy.

British Claims for Damages Discussed in House of Commons

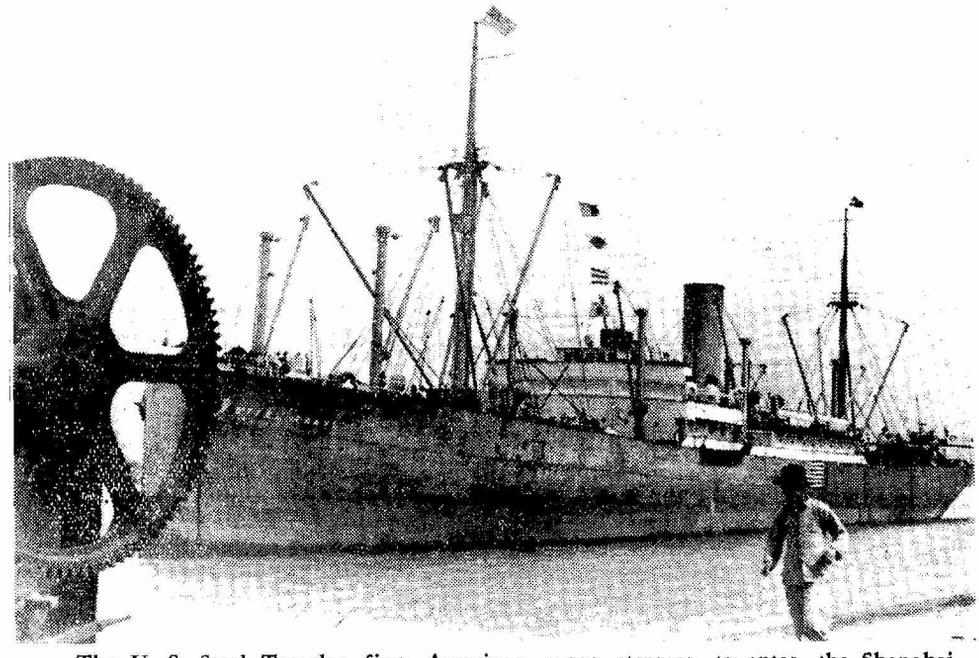
Claims by Britons in the International Settlement for compensation for damage caused by the Sino-Japanese hostilities were discussed in the House of Commons Nov. 15. The subject was raised by A. C. Moreing, Conservative, who asked Foreign Secretary, Eden, if he would instruct the British Consul-General in Shanghai (Herbert Phillips) to assist to the utmost in the preparation of claims for compensation on behalf of Britons, especially those of small means in the Hongkew and Yangtzepoo districts, whose property in some cases had been completely destroyed.

In reply Viscount Cranborne, Under-Secretary of State for Foreign Affairs, said he did not doubt that the Consul-General was already doing everything in his power to assist them. He had been instructed to give all possible help in the preparation of claims by these Britons.

Arrival of Isthmian Steamer "Steel Traveler" Heralds Reopening of Port of Shanghai

FIRST shot in the reopening of foreign trade in the port of Shanghai was fired on October 29 when the first American deep-water vessel since the opening of hostilities steamed up the Whangpoo and docked at the Shanghai and Hongkew Company's Pootung wharf.

This was the *Steel Traveler*, of the Isthmian Steamship Company, commanded by Captain T. J. Flannery. The ship radioed Admiral Harry E. Yarnell, Commander of the U. S. Asiatic Fleet, asking for advice, and upon being told that the port was quite safe proceeded up river with an escort of an American destroyer and an armed U. S. Sailor guard aboard. Admiral Yarnell informed the Japanese that the ship was entering Shanghai and no difficulty of any sort was experienced in coming up the Whangpoo although a bombardment of Pootung was going on at the time. Nor was any difficulty experienced with the American crew which asked for and received a U. S. $50 bonus.



The U. S. Steel Traveler, first American cargo steamer to enter the Shanghai harbor following the self-imposed embargo on American shipping, after the bombing of the President Hoover. It was also the first cargo ship of any nationality to enter the harbor since beginning of hostilities.

Upon arrival at the dock the steamer proceeded to unload its cargo which consisted of steel products for commercial and structural uses, including a complete five-span bridge for the Chinese Government Railway Administration.

The Steel Traveler left the port on November 7, having gained the distinction of being the first of the ocean-going vessels to come up the Whangpoo since the beginning of hostilities. This action helped in reopening the port to foreign trade, which is the life-blood of Shanghai.

However, more important in its effect upon trade was the shift in the front, and the consequent removal of hostilities from the Shanghai area. On Friday of last week the President Doumer, large passenger liner of the Messageries Maritimes, steamed up the river to the Shanghai and Hongkew Wharf Company's dock on the Hongkew side of the river. Originally the ship was scheduled to anchor off Woosung, but at the last minute the captain decided to sail up the river. On Sunday the Italian liner. Conte Biancamano, arrived in Shanghai, docking at Holt's wharf on the Pootung shore.

Welcoming the first American ocean-going cargo steamer to enter the Shanghai harbor following the self-imposed American shipping embargo. Those in the picture include Capt. T. J. Flannery of the Steel Traveler (second from left), Mrs. Plant and her husband, W. H. Plant, who is manager of the Shanghai office of the U. S. Steel Products Corporation. J. E. Fish, Shanghai Licensed Pilot, is on the left.

As ocean going freight and passenger vessels return to Shanghai, a more normal aspect will pervade the port and the feeling of freedom which was lacking while hostilities were carried on around the perimeter of the city will return. This does not, however, mean that trade will be normal. As has been pointed out previously, trade cannot return to normal until goods move freely

between Shanghai and the Yangtse Valley. Vessels may steam in and out of the port, but the market for incoming goods would be restricted to Shanghai itself, while exports also would have to be for the most part garnered from the Shanghai area.

Furthermore, the refugee rush which had resulted in a boom for coastal and ocean shipping is dwindling, while Chinese banks seem to be tightening up on credits, all of which means that the war may be over for the Shanghai area, but normalcy is a long way off.

The Isthmian Steamship Company, owner of the Steel Traveler, is a subsidiary of the U. S. Steel Cor-

The U. S. Navy convoyed and protected the Steel Traveler, first American ocean-going cargo steamer to enter the Shanghai harbor since the beginning of the crisis.

poration, the local manager of which is W. H. Plant. Mr. Plant has resided in Shanghai for many years and is one of the American members of the Municipal Council of the International Settlement.

The arrival in the Shanghai harbor of the first American ocean-going cargo ship has aroused interest in the future plans of the Robert Dollar Company, operators of Trans-Pacific and Round-the-World passenger and cargo steamers. All Dollar liners were diverted from China ports following the bombing of the *President Hoover* on Aug. 30. There were rumors current in Shanghai all week that the Dollar Company plans shortly to resume its calls at Shanghai. However, it probably will be considerable time before the company will be able to resume full service at its wharf and godowns on the Pootung side of the Whangpoo, due to the obstruction placed in the river by the Chinese military authorities. As the Japanese naval authorities had removed sufficient of the obstruction to permit some of their smaller naval craft to pass through it was thought likely that other ships might shortly be able to resume use of the upper reaches of the Whangpoo.

What method will be used to remove the boom or obstruction placed across the river by the Chinese military authorities is not known. The boom is composed of numerous cargo boats, scows and junks. The larger cargo ships which were sunk in the harbor to form a foundation for the obstruction were Japanese boats anchored in the upper river which the Chinese seized. After these boats had been scuttled in the channel, other smaller craft were towed in at night and sunk on top of the Japanese ships. As these boats were filled with rocks and sand and since have silted full of Whangpoo mud the removal of the ships will require considerable time. It has been reported that heavy explosives will have to be used to clear the channel.

Effect of War Risk on Shipping

With all trade routes to the interior cut off with the exception of the route up the Yangtse and around the boom at Kiangyin, there can be little hope of any large quantity of trade for the port of Shanghai. Furthermore, freight reights rates on the Yangtse route are $42 per ton, which is three times the normal rate. War risk insurance runs to 4 per cent. All of which means that the cost of getting goods into and out of the Yangtse Valley is too high except for the most necessary commodities.

Consequently, cargoes for the big ocean liners will not be available in any large quantity, giving little incentive for the companies to bring their ships into Shanghai.

However, probably the biggest deterent for the ships running into Shanghai is the war risk insurance of 1 per cent, which would be required on all cargo aboard the vessel at the time it called at Shanghai. During the early part of the hostilities war risk was 3 per cent, and insurance for the vessel unobtainable. However, for those ships stopping below Woosung, war risk was ½ per cent. Because of the large number of refugees the ships came up to

Guard of U. S. Marines going aboard the Steel Traveler, first American ocean-going cargo steamer to enter Shanghai harbor in many weeks.

Woosung to get passengers, but now that the refugee tide has receded, the passenger business has dropped. It is felt that those who wished to leave Shanghai have already done so, and the few adventurers and business men who still want to come here will not constitute a large enough business to cause some large companies to go to the expense that would be involved by coming up the Whangpoo River.

War risk was reduced to 2 per cent when hostilities moved around to the western district and when the fighting moved to Nantao with good prospects for it leaving the Shanghai area entirely, war risk dropped to 1 per cent and craft insurance (insurance on the vessel) was again available.

However, with a war risk of 1 per cent, which is generally believed to average around $5 per ton, those ships which have a considerable amount of cargo on board when they reach Shanghai will not want to stop at this port, for they would probably lose many customers who would chose to ship their goods on vessels going by a different route, thus avoiding the extra cost that would inevitable have to be taken up by an increased market price for the goods.

The war risk insurance particularly hits such lines as the Dollar Company and the Canadian Pacific line, which terminate their runs at Manila. With stops at Manila and Hongkong the ships generally have about half of their eastbound cargo aboard when they stop at Shanghai, which means that war risk on cargo is apt to run from twenty thousand dollars up, a sum which cannot be absorbed by the steamship companies, and which cannot be made up by the small amount of cargo or passengers to be picked up in the port of Shanghai.

As for ships on the European run, it is believed that they will be less effected by the war risk insurance, since they end their runs at Shanghai, Kobe or Yokohama. Consequently, the amount of cargo they have aboard is likely to be small in comparison to the total cargo carried. As a comparison to the Shanghai rate, war risk insurance at Hongkong is ⅛ per cent, and in the Mediterranean ⅜ per cent.

There seems to be no immediate prospect that the war risk insurance will be lowered any more in the near future. So long as hostilities continue in the Yangtse Valley the risk of air raids will be more or less constant. All of which would seem to indicate that Shanghai can look forward to a few more ocean liners calling at the port, but as for a general return to normalcy that is not to be expected. The safety factor is only a minor consideration for shipowners under present conditions in Shanghai.

British Admiral Says Shanghai Harbor Is Now Safe

In view of the withdrawal of the Chinese army from the Pootung bank of the Whangpoo River, there is now, in the opinion of Admiral Sir Charles Little, Commander-in-Chief of the China Station, no objection to British ships berthing at the British wharves on either bank of the river. Admiral Little has informed the British Consulate that he feels the risk now in berthing at the British wharves is no greater than that of berthing at the neutral anchorage or at Gough Island.

In view of the fact, however, that the Japanese are still in control of the Hongkew, Wayside and Yangtsezpoo areas, the British Consulate has requested the shipping companies to inform

(Continuad on page 288)

Japanese Troops Now Surround International Settlement and French Concession

AFTER holding out tenaciously for three months, the Chinese troops in the Shanghai area were compelled to abandon their last stronghold, Nantao (southern suburb) on November 12. The greater part of the troops which had been caught in Nantao eventually sought entrance to the French Concession, giving up their arms as they came in. Previous orders from Nanking that the defenders of Nantao were to hold out to the last were later countermanded when it became evident that as the result of heavy bombing, bombardments and fires, no good purpose would be served by the Chinese troops remaining to meet certain death. Another consideration that weighed in coming to this decision was that a large quantity of arms and ammunition which is now in the hands of the French Concession authorities (to be held by them to the end of hostilities) would otherwise have fallen into Japanese hands. Even as it was, the Japanese captured large quantities of arms. In all, about 5000 soldiers and police came into the French Concession, where they have been interned in special camps.

The defence of Nantao was, in the opinion of obsevers, the most badly managed of all the Chinese operations since the beginning of hostilities. This is, however, mostly accounted for by the fact that the sudden appearance of the Japanese at the rear, cut of the remaining troops in the Shanghai area not only from the natural route of retreat, but made prompt communication with Nanking impossible. Thus it happened, for example, that several new anti-aircraft guns, of British manufacture, which had just recently arrived, some of them not completely assembled, were never brought into action, owing to the fact that none of the soldiers on duty in Nantao knew how to operate them; those who had experience in their operation had already retreated towards Sungkiang. These anti-aircraft guns are among the weapons which were brought to the French Concession.

Nantao was attacked from all sides. Although the Japanese usually showed bad marksmanship in their bombing operations their artillery fire, on the whole, was fairly good. The Japanese directed their artillery fire over the Concession and Settlement from Markham Road and Jessfield, but apparently not a single shell fell short of its objective. Several Chinese were killed or wounded in the French Concession during the Nantao fighting by shrapnel, but this apparently came from small Chinese guns. None of the shots fell inside the safety zone so carefully looked after by Father Jacquinot. However bombs and shells struck quite close to Fong Pang Road, the southern boundary of the special refugee district.

Japanese Land at Pootung Without Opposition

The Japanese, after having been thwarted in attempts to land at Pootung for more than two months, made successful landings at various points during last week, practically without any opposition. Artillery units were thereupon placed in position on the Pootung side and used with good effect against Nantao. In addition the Japanese were successful in breaking the boom of vessels which had been sunk in the Whangpoo just south of the French Bund, and small gunboats which took positions near the boom likewise poured their fire into Nantao.

The result was that Naotao became a roaring inferno of flames, from which the population tried to escape as best they could. Large crowds of them assembled in the Avenue des Deux Republiques, which follows generally the location of the old city wall which was razed during the Revolution of 1911-12. Only a small proportion of these were allowed to come into the French Concession, which already is over-crowded with refugees, where an alarming situation has developed owing to the fact that food prices have risen to dizzy heights as a result of the difficulty of bringing in food from the outlying areas. The Japanese put little restrictions on the ingress of coolies carrying supplies, but generally refuse them permission to return to the outside districts.

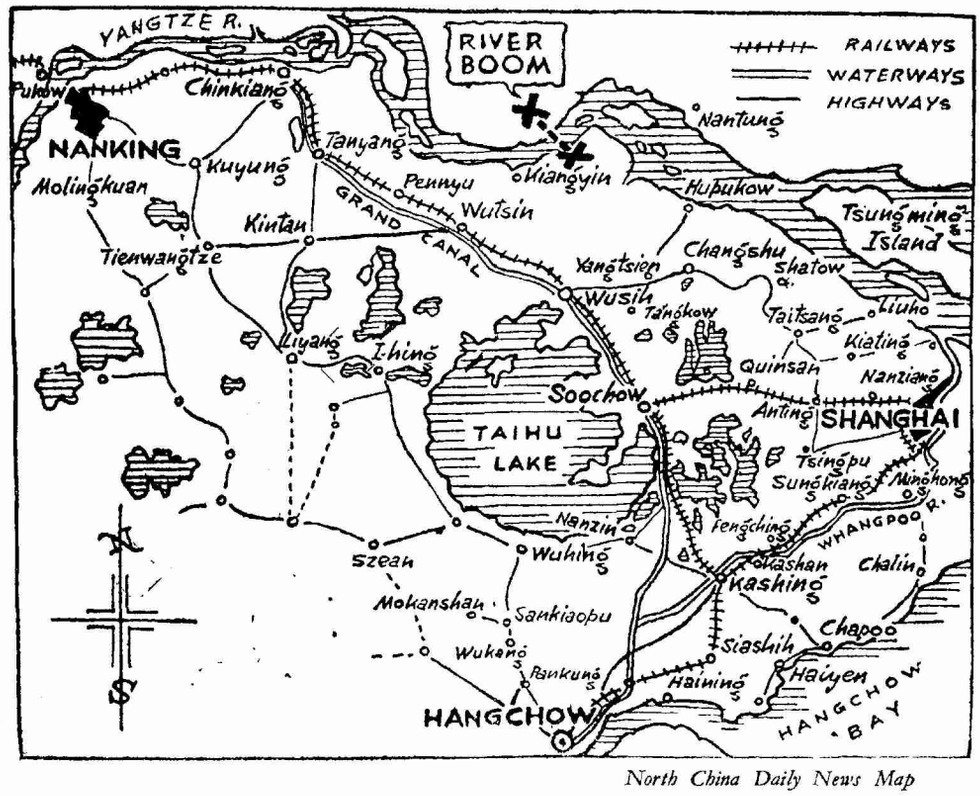
Chinese Defence Crumbles

The Chinese defence of western Nantao crumbled before the Japanese infantry attack launched about 11 a.m. Nov. 11. The Chinese fought from house to house and street to street in a steady but stubborn retreat and by 2.30 p.m. nearly 1,000 of them made a stand opposite the foot of Avenue Dubail before the main part of their number sought refuge in the French Concession and threw down their arms.

Huge Fires Mark Chinese Retreat from Pootung

Huge fires marked the retreat of the Chinese in Pootung, and in western Nantao, while the bitter fighting accounted for many more fires nearer the Whangpoo River, until the southern boundary of the French Concession was almost as fiery as the Chapei border when the Chinese withdrew from the northern areas.

SCENE OF WAR OPERATIONS BETWEEN SHANGHAI AND NANKING



North China Daily News Map

Nantao Refuge Sanctuary Crowded

All streets leading from the French Concession to the Nantao refugee sanctuary (the "safety zone" established by Father Jaequinot's initiative) where crowded for days with people taking all kinds of food-stuffs to the thosuands of Chinese isolated in the area. Such huge quantities of food supplies had been congregated on the boundary that they had to be stored in several houses in the vicinity for distribution later on morning.

Without light and water and also short of food, thousands of Chinese including women and children had been crowding the gates in their attempt to enter the French Concession. A small number found their way through the back door of Chinese shops on the Concession side of the Boulevard des Deux Republiques, the boundary street.

French Property Escapes Unscathed

French residents and property emerged safely through the Sino-Japanese hostilities in Nantao, according to a report by *Havas*. The Waterworks, which supplies the French Concession, is in good condition, only one of the four conduits having been cut by a shell. The personnel is safe and received provisions.

Japanese Do Not Allow Entrance to Yangtszepoo Area

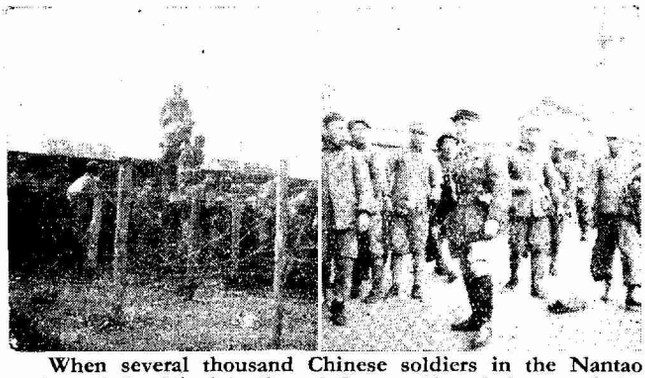
Although the actual war operations in the Shanghai area have come to an end, the Japanese have so far not allowed any

one, Westerners or Chinese, to return to their homes in the Hongkew and Yangtszepoo districts, or in the Hungjao district beyond the Settlement limits. One of the reasons given by the Japanese is that they wish to clean up the districts of debris, dead bodies, mines; also make intensive searches for caches of weapons which may have been left behind by the Chinese.

The Japanese authorities have suggested to their nationals that they do not appear on the streets of the International Settlement south of the Soochow Creek for fear of being killed by snipers. It is suggested that if Japanese have business south of Soochow Creek they should travel by motorcar.

Japanese Use Soochow Creek to Reach Interior

As was mentioned in General Matsui's interview, the Japanese have begun to use the Soochow Creek to send war material into the interior. No opposition to this procedure is evinced by any of the Defence Troops in Shanghai, nor is there any reason why they should, as although the Creek flows through the Foreign Settlement, it has always been recognized as being under Chinese jurisdiction. The British troops forbade a Japanese pinnace to proceed up the Creek at the time of the siege of the "Lone Battalion" two weeks ago, but that action was taken merely because an attack by the Japanese from the rear would inevitably have invited Chinese fire into the Settlement—which it was the duty of the British (and other foreign Defence Forces) to protect.



When several thousand Chinese soldiers in the Nantao section of the Municipality of Greater Shanghai entered the French Concession and were disarmed and interned. What caused the sudden decision to give up the fight has not yet been explained as the Japanese force opposing them was comparatively small. Some thought it was the pressure of property interests, but if so the landlords saved little as the Japanese have since burned a considerable section of the city. The picture on the right shows a French military officer superintending the disarming of the Chinese troops. It was reported that some 5,000 Chinese troops are now in the French Concession.

Japanese Armed Party Inspects Post Office

The visit of a Japanese Armed force to the Chinese Post Office, which lies just north of Soochow Creek, at North Szechuen Road, caused rumors that the Japanese intended to take over the post office. This rumor proved to be unfounded, for the time being at least. The Japanese conferred with the postal officials and made a thorough search of the premises. They eventually left, after explaining that their visit was made for the purpose of assuring themselves that no weapons or war material had been placed in position in the postal premises which might be used against the small Japanese vessels that are now navigating Soochow Creek.

Japanese Bluejackets Break Boom Across Whangpoo

The boom across the Whangpoo which had prevented navigation on the upper reaches of the river since it was laid by Chinese forces on the night of August 12, was broken on the afternoon of Nov. 12 by Japanese bluejackets who succeeded in clearing a channel. The work of breaking the boom was done, according to a Japanese communique, by a Naval Landing Party detachment under cover of a barrage laid down by three Japanese river gunboats. The Chinese ship *Chungho*, which formed a part of the boom, the communique said, was removed to a buoy near the Japanese flagship *Idzumo*. The communique added that Japanese bluejackets were also landed in Nantao to speed up the work of breaking the boom.

Pootung Suffers Heavily

Pootung suffered heavily during the last days of the fighting in the Shanghai area. Most of the business section on the peninsula was badly damaged by fire, shells and bombs, and now lies in ruins. Whole streets have been reduced to ashes, and numerous isolated houses and buildings levelled. Many streets were lined with dead, among them a number of civilians. Some of them, it was stated, were first wounded by shellfire, and later burned to death. Fires raged in Pootung Nov. 15 and on later dates. Similar scenes of destruction were being witnessed daily in Nantao, where fires raged from day to day unchecked. Two large fires were fought near the border of the Concession during the night of Nov. 15, one of them just opposite Avenue Dubail, near Zikawei, while another, near the Small East Gate in the vicinity of Boulevard des Deux Republiques, caused alarm among the refugees in the safety zone.

Hsiao Tung Men, or the Small East Gate, which was one of the most busy business sections of Nantao prior to hostilities, burned continually for three days.

Telephone Office in Nantao Gutted by Fire

Among the buildings gutted by fires in Nantao was that of the main telephone office. The Chinese Seamen's Union building in the same vicinity was also affected. The total damage suffered by these two organizations alone is estimated to be above $300,000.

Top—Chinese soldiers along the Shanghai-Hangchow Railway track at Jessfield, prior to the withdrawal. *Lower Left* **Japanese soldiers examing Chinese defense positions at Jessfield, following the Chinese evacuation.** *Lower right*—**Two American Naval Officers, Capt. Evans F. Carlson (left) Assistant Naval Attache, Shanghai and Capt. Harvey Overesch, Naval Attache, stationed at Peiping, observing the situation at Jessfield shortly following the Chinese evacuation and the taking over of the Japanese. Japanese soldiers are seen in the background.**

Fires in Nantao Explode Munition Dumps

Regarding the explosion of munition dumps in Nantao, which now and then have shaken the foreign areas, a Japanese spokesman Nov. 15 declared that the presence of these dumps in Nantao indicated that the Chinese army had been using the district as a base of supply. He said that hundreds of trucks would be needed to remove the military stores found in areas which remained undamaged by flames.

Japanese Spokesman Describes Capture of Quinsan

The Japanese army spokesman in Shanghai, Nov. 16 reviewed the capture of Quinsan and stated that Chinese losses numbered over 5,000 dead found on the field of battle. Six hundred prisoners were reported to have been taken, as well as a number of field and mountain guns and much ammunition.

The Rev. H. S. Smith of the American Church Mission at Changshu, the Rev. W. M. Smith of the American Methodist Episcopal Mission, stationed in the same city, and the Rev. H. A. McNulty of the Soochow Academy were still in the war zone early this week.

Japanese Carry War to Soochow Area

Japanese units Nov. 16 had carried the fight to the Soochow area, their columns having advanced up the Kashing-Soochow highway. Intense activity was reported from Changshu, between Wusih and the Yangtze, where a terrific artillery barrage was started that morning, and where several columns were converging on the important defence position. A general flight of civilians from

Soochow, hordes streaming up the roads towards Nanking, was noted. Among these were foreign missionaries and doctors, who reported pitiful scenes along the highways.

Japanese Capture 12 Chinese Customs Preventive Cruisers

Twelve Chinese Customs Preventive Cruisers were taken over by men of the Japanese Navy Nov. 15 while the vessels lay tied-up alongside the Kinleeyuan Wharf off the French Bund. The vessels were searched and then the Japanese flag was flown from the mast of each of the 12 cruisers. Four of the vessels were towed down river during the day and will probably be put into service by the Japanese.

After boarding the vessels and searching them the Japanese officers ordered all the foreign and Chinese officers as well as the members of the crew, to collect all their belongings and to leave the vessels.

Two Chinese gunboats, the *Kenan* and the *Haichow*, which were seized by the Japanese naval authorities, were towed down the Whangpoo, a spokesman for the Japanese navy announced.

Conservancy Dredger Seized by Japanese

The Japanese on Sunday morning took over the largest dredger belonging to the Whangpoo Conservancy Board, the *Chien Shi*, moored to the No. 1 buoy upstream next to the Netherlands warship Van Galen. The Japanese flag was put up on the dredger.

China will be a good market for bridge material after peace has been restored—Top a bridge on the Shanghai-Nanking Railway that was destroyed by Japanese bombs. Below—the iron bridge on the Shanghai-Hangchow Railway at Jessfield which was destroyed by the Chinese in order to delay the Japanese advance, after the evacuation of Chapei. Previously the Japanese had tried to destroy the same bridge by air-bombs but the missiles fell wide of the mark and nearly wiped out a detachment of British troops stationed at the border of the International Settlement a short distance away.

Farewell Address Says Withdrawal Does Not Mean Defeat

A six-hundred word address, bidding temporary farewell to Greater Shanghai, was issued Nov. 11 to the local Chinese populace by the Political Department of the Military Affairs Commission. The address emphasizes that the withdrawal of Chinese troops from the Shanghai area was prompted by tactical reasons, in order that the second line of defense might be consolidated. The withdrawal, the address stated, should not be construed as a military defeat but the beginning of a prolonged campaign of resistance. An early recovery of the Shanghai-Woosung area was promised the local populace. The statement expressed appreciation and gratitude for the close cooperation the people of Shanghai had extended to the troops in the course of fighting during the last three months.

"Although our troops are leaving Shanghai," the address adds," yet they still can see Shanghai from their present Kating-Nanziang line, and the spirit of the fallen officers and men is still with you."

Japanese Advance on Soochow Stopped at Chenyi, West of Quinsan

The Japanese advance on Soochow along the Nanking-Shanghai Railway was forcefully stopped by the Chinese defenders at Chenyi, which is west of Quinsan (about 30 kilometers from Soochow) Nov. 17. Starting from Fupukow on the Yangtze River, the new Chinese defense line runs through Changshu to Chenyi, skirts the southwest of Tsingpu to Kashing on the Shanghai-Hangchow Railway, then turns eastward to Pingwu and Chapoo on the Chekiang coast. Along this 100-kilometer long front have been deployed heavy Chinese forces. The Chinese forces are maintaining their high morale, being determined to punish the Japanese severely along this new line.

Nanking Gives $50,000 to Nantao Committee

A donation of $50,000 for relief work in the refugee area in Nantao was made this week by the National Government through T. V. Soong, Member of the Standing Committee of the National Economic Council.

Matsui Donates Yen 10,000 to Nantao International Committee

Gen. Iwane Matsui, commander-in-chief of the Japanese army forces operating the in Shanghai area, has donated Yen 10,000 to Father P. Jacquinot de Besange, vice-president of the Shanghai International Red Cross committee, as a token of the Japanese general's appreciation of the efforts made by the Reverend Father Jacquinot and his associates for the creation and the maintenance of the Nantao area reserved for the residence of the Chinese civilian population.

The sum was donated also as an expression of the sympathy of the Japanese command for the Chinese refugees in the so-called "Jacquinot Zone."

Gen. Chen Chi-tang Contributes $7,000,000 to War Chest

A personal donation of $7,000,000 to augment the war chest of the Government was made last week by General Chen Chi-tang, former Pacification Commissioner for Kwangtung and at present member of the National Defence Council, who returned from Europe recently.

Catholics in China Devoting Energies to Relief Work in Many Cities

The Catholic Church, with its more than 3,000,000 followers in all China, is devoting practically all its energies and resources to relief work from its own widely placed large centers, and together with the organizations of other civilian societies, labors to relieve sufferings. The largest center in China is at Siccawei where 3,000 to 4,000 refugees are accommodated in the walls of the school there by the fathers and still more are cared for in the adjoining convent by the sisters. Many more cluster outside the walls when there is no more room inside, but with the approach of bad weather, these unfortunates will fare badly.

Hypothetical American Young Lady Requires China Products

Julean Arnold, U. S. Commercial Attache, in the course of an interesting address at the Armistice Day dinner of the local General Frederick Townsend Ward post of the American Legion, told how the American individual—particularly a young woman—required the products of China for health, comfort and luxury. Beginning with the feathers in the pillow upon which she rested her head in slumber, the China cotton in the blanket on the bed, the woolen rug on the floot, the toothbrush made of China bristles, Mr. Arnold went through the long list, including soap made from China vegetable oils, silk stockings, shoes from goatskins, tin for the kitchen utensils, cooking oils for the preparation of foods, varnish for the table, desicated eggs for pastries, medicines and tea to furs. In conclusion he said that the United States had maintained commercial contact with China for a century and a half and that it would be fatal for any nation to cut off its relations with other countries and build a "Chinese wall" about its borders. In 1913 American ships carried only 10% of America's foreign trade. This percentage had been increased to 30 percent at present, but present day American ships were becoming antiquated. He urged Americans to regard their ships as extensions of the domestic railways.

L. R. Schinazi, Commander, presided at the dinner, which was attended by a large number of members and friends. Music was supplied by the U. S. Marine band.

Japan Refuses to Participate in Brussels Conference—China Asks for Embargo

A PROPOSAL was made before the Nine-Power Conference at Brussels Nov. 15 by China which would embrace a four-point scheme designed to halt Japanese aggression through concerted international action. China's proposal calls for an international embargo on supplies and materials essential for war and industrial purposes in Japan; a boycott against Japanese exports and shipping; refusal to extend credits to Japan; and finally, an extension of assistance to China in the form of war materials and credits.

In this connection the London *News-Chronicle* in an editorial recalled the recent words of Col. Henry L. Stimson, former United States Secretary of State: "China's principal need is not that something should be done to help her, but that outside nations should cease helping the enemy." It is greatly to be hoped, the *News-Chronicle* added, that these words will be taken to heart by the vast numbers of Americans who share Col. Stimson's view.

The London *Times* commented that the declaration of the Brussels Conference regretting Japan's refusal to co-operate, though couched temperately, is a reasoned condemnation of Japan. That Italy should hesitate to associate herself with the declaration, *The Times* proceeded, is understandable, but Italy and Germany cannot view without concern the progress of events in the Far East and the world's reaction to them. Other points made by *The Times* were: Mediation by Germany has been discussed and would deserve general welcome. The difficulties in the way of a settlement are enormous, but have diminished during the past month. The Japanese armies have won enough laurels in the eyes of the Japanese nation. With the turn of the tide at Shanghai, Japan has the choice between incurring unlimited liabilities in the future or endeavoring to secure limited assets for the present. She can probably go on defeating the Nanking Government's armies, for China's reserves of war material are running low, but what will Japan gain by campaigning more deeply into the interior? It is unlikely that Japan will ever be nearer beating China to her knees than at present.

Japan Defiritely Declines to Attend Conference

The Japanese Government Nov. 12 declined Belgium's second invitation to attend the Nine-Power Conference at Brussels. The Cabinet approved Japan's reply to Belgium and obtained Imperial sanction at 1.30 p.m. on said date. The reply was handed to the Belgian Ambassador in Tokyo, Baron de Bassompierre, and then cabled to the Japanese Ambassador in Brussels, Saburo Kurusu.

The Japanese Government simultaneously issued a statement again "clarifying Japan's fundamental policy in connection with the Sino-Japanese conflict."

"It is certainly impossible for the Imperial Government to accept an invitation to a conference convened in accordance with the Nine-Power Treaty after Japan has been accused of having violated its terms," the Japanese reply to Belgium's second invitation to attend the Brussels Conference, stated.

The Japanese reply acknowledged the verbal Note of November 7 (the invitation) and took cognizance of the fact that the opinion of the participating Powers set forth in it is the result of careful consideration, but regretted that this opinion is not sufficient to persuade the Imperial Government to modify its views and the policy clearly expressed in its answer dated October 27 declining the first invitation and the public statement of the same date.

The Imperial Government, said the reply, adheres firmly to the view that its present action, being one of self-defence forced upon Japan by the challenge of China, lies outside the scope of the Nine-Power Treaty and that there is no room for any discussion on the question of its application.

"Since the present affair has its origin in the special conditions of East Asia, the most just and equitable solution can be reached through direct negotiations between the two parties who are directly and immediately interested.

"It is the firm conviction of the Imperial Government that an attempt to negotiate within the framework of a collective organ such as the present conference would only arouse the populaf feelings in both countries and hinder a satisfactory solution or the affair.

"The Imperial Government would be glad if the Powers, fully appreciating the above-mentioned view, should contribute to the stabilization of east Asia in a manner consonant with the realities of the situation.

"The participating Powers state that all Powers having interests in the Far East are affected by the present hostilities and that the whole world views with apprehension the repercussions of these hostilities on the peace and security of members of the family of nations.

"On this point the Imperial Government desires to point out, as made clear in Japan's successive declarations, that it is doing everything in its power to respect the rights and interests of foreign Powers in China and has the deepest concern for the firm establishment of peace in East Asia through a satisfactory conclusion of the present affair."

After several hours of discussion and drafting, the Tokyo Foreign Office at the last moment decided not to issue a statement amplifying Japan's reply to Belgium.

Dr. Koo Says Japan's Reply Is Insolent

"It is a frigid and insolent reply," declared Dr. Wellington Koo, head of the Chinese delegation to the Nine-Power Conference, when interviewed by *Havas* on the second response to the invitation to take part in the Conference. "It is a reply exceedingly harsh and unsympathetic, it ignores the spirit of moderation, restraint and conciliation on the part on all members of the conference. It is a slap at the whole conference, and characteristic of a government in the grip of a war party."

Brussels Feels That Any Further Appeal to Japan Is Superfluous

Intensive conversations among Anthony Eden (Great Britain) and various delegations to the Nine-Power Conference followed the news of Japan's reply, the terms of which caused a profound impression. The Japanese reply is considered so categorical and intransigeant that it was felt in Brussels that any further appeal to Japan would be superfluous.

Japan's reply was regarded in Brussels as politely slamming the door on the possibility of further negotiations.

"Complete Refutation"

The Nine-Power Conference Nov. 15, after a prolonged discussion, adopted a declaration, regretting Tokyo's refusal to cooperate with the Conference, affirming that the conflict was not a matter for direct settlement between China and Japan; and stating that the Powers must consider what was to be their common attitude if Japan's refusal to join in the talks was maintained.

Italy voted adversely on the declaration, while Norway, Sweden and Denmark abstained after explaining that they did not oppose the document itself but did not wish to vote for it.

The Italian delegate stated that the declaration did not tend to facilitate mediation.

Following the adoption of the document, the Conference adjourned until 3 p.m. on November 22.

The declaration, a document running into seven pages, comprises a complete refutation of the Japanese thesis. It points out that the Japanese concept of the issues and interests involved is entirely different from that of most other nations.

The conflict is affirmed to be the concern of all countries, whether a party to the Nine-Power Treaty or the Pact of Paris.

The hope is expressed that Japan will reconsider her decision not to send delegates to the Confence, but in the event of Japan's continued refusal, the declaration states, the Powers must consider what attitude they could take up where one party claims to set aside treaty provisions which all other parties hold to be operative.

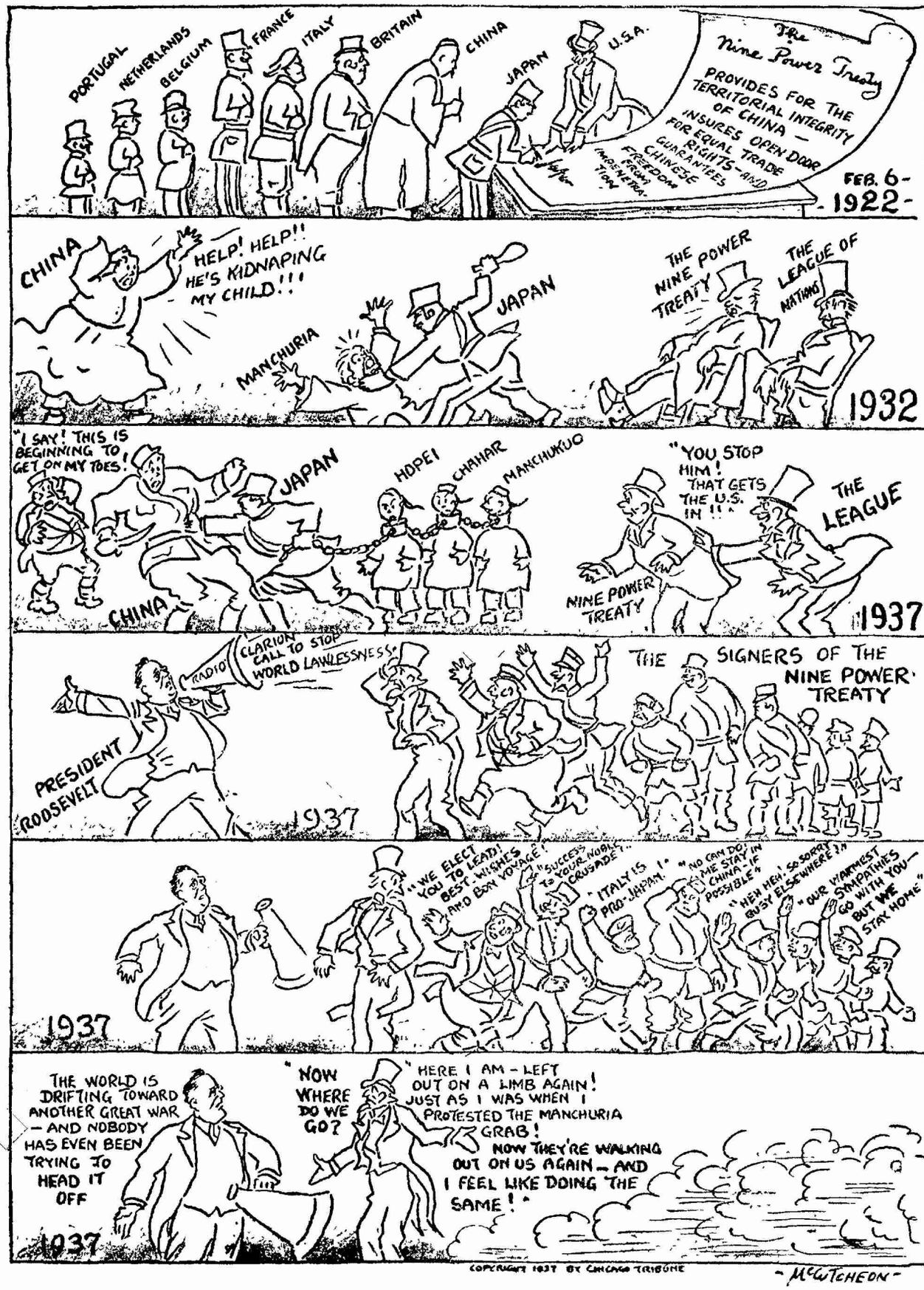
Against the Japanese contention that the conflict concerns only China and Japan, the draft points out that "states members of the League have indicated unanimously that they consider the conflict of concern to all states parties to the Covenant of the League."

These hostilities, the document adds, have brought "to the peoples of all nations a sense of horror and indignation and to all the world feelings of uncertainty and apprehension."

Quoting the Japanese Government's assertion that it is China whose actions and attitude are in contravention of the Nine-Power Treaty, the declaration says: "Yet whereas China is engaged in a full and frank discussion of the matter with other parties to that treaty, Japan has refused to discuss it with any of them."

The delegates firmly believe, the document stated, that a just and durable settlement could not be expected of direct negotiations between the parties to the conflict.

CYNICAL HISTORY OF THE NINE-POWER TREATY UPON WHICH CHINA AND THE WORLD BASE THEIR HOPES OF PEACE


PORTUGAL
NETHERLANDS
BELGIUM
FRANCE
ITALY
BRITAIN
CHINA
JAPAN
U.S.A.
The Nine Power Treaty
PROVIDES FOR THE TERRITORIAL INTEGRITY OF CHINA —
INSURES OPEN DOOR FOR EQUAL TRADE RIGHTS — AND GUARANTEES CHINESE FREEDOM FROM IMPERIALISTIC AGGRESSION
FEB. 6 - 1922 -
CHINA
HELP! HELP!! HE'S KIDNAPING MY CHILD!!!
MANCHURIA
JAPAN
THE NINE POWER TREATY
THE LEAGUE OF NATIONS
1932
"I SAY! THIS IS BEGINNING TO GET ON MY TOES!
JAPAN
HOPEI
CHAHAR
MANCHUKUO
CHINA
"YOU STOP HIM! THAT GETS THE U.S. IN!!"
THE LEAGUE
NINE POWER TREATY
1937
RADIO
CLARION CALL TO STOP WORLD LAWLESSNESS
PRESIDENT ROOSEVELT
1937
THE SIGNERS OF THE NINE POWER TREATY
"WE ELECT YOU TO LEAD! BEST WISHES AND BON VOYAGE!"
"SUCCESS TO YOUR NOBLE CRUSADE!"
"ITALY IS PRO-JAPAN!"
"NO CAN DO! LET ME STAY IN CHINA - IF POSSIBLE"
"HEH HEH! SO SORRY BUSY ELSEWHERE!"
"OUR WARMEST SYMPATHIES GO WITH YOU — BUT WE STAY HOME"
1937
THE WORLD IS DRIFTING TOWARD ANOTHER GREAT WAR — AND NOBODY HAS EVEN BEEN TRYING TO HEAD IT OFF
1937
"NOW WHERE DO WE GO?
"HERE I AM — LEFT OUT ON A LIMB AGAIN! JUST AS I WAS WHEN I PROTESTED THE MANCHURIA GRAB!
NOW THEY'RE WALKING OUT ON US AGAIN — AND I FEEL LIKE DOING THE SAME!"
COPYRIGHT 1937 BY CHICAGO TRIBUNE
- McCUTCHEON -

Reproduced from The Chicago Tribune, Oct. 16.

Dr. Wellington Koo Quotes Roosevelt on World's Desire for Peace

President Roosevelt's statement about 90 per cent of the people of the world wanting peace was referred to by Dr. Wellington Koo, chief Chinese delegate to the Nine-Power Conference, in a broadcast message to the United States Nov. 11. There were many ways, Dr. Koo said, in which the united purpose and joint determination of the vast majority of the people of the world could be exerted effectively to check international lawlessness and aggression without resorting to the use of force, he said.

A *Reuter* message from London Nov. 12 stated that speculation in political and business circles in London has been keenly aroused regarding the outcome of the Japanese successes at Shanghai and in North China. A conspicuous rise in Far Eastern loans, which are steady, reflected the City's hopes that peace is not far distant.

Dr. Wellington Koo Asks 19 Powers to Withhold Supplies from Japan

A vigorous appeal to the nineteen Powers represented, to withhold supplies from Japan and send them to assist China. was made by Dr. Wellington Koo, the Chinese delegate, in a speech at a full session of the Conference in Brussels Nov. 13. After ten days, Dr. Koo declared, the Conference had found itself back where it had started. The reiterated claim that resort to Japan's present action in China was made as a measure of defence, Dr. Koo continued, was not only a deliberate distortion of the meaning of the time-honoured term, but made a mockery of universal sentiment, justice and truth. Even if the Japanese Government believed, which the Chinese delegation emphatically denied, that Japanese aggression in China had been dictated by considerations of defence, it could in no way justify her claim that the matter lay outside the scope of the Nine-Power Treaty.

"The full and frank communication envisaged in Article VII of the Treaty," Dr. Koo said, "is intended for just such a situation."

Dr. Koo emphasized that for four years the Chinese Government had patiently tried to reach a peaceful settlement with Japan on outstanding questions, and the present conflict was the result, "for every act of concession and every gesture of conciliation on the part of China has been taken by Japan as a sign of fear and has led to more bullying and browbeating."

Dr. Koo said that the "perpetual dual diplomacy practised by Japan, through the Japanese Foreign Office and the Japanese Army, in her dealings with China, had convinced China of the danger and futility of direct negotiations."

Replying to the statement that the present occurrences had their origin in conditions peculiar to the Far East, Dr. Koo said that the Chinese, for their part, did not see before them anything peculiar in the Far Eastern situation unless it was Japan's methods of preserving peace in Asia by the armed invasion of peaceful China.

Norman Davis Says America Would have Welcomed a Statement from Japan

Norman Davis, head of the United States delegation, opened his speech with declaration that if the conception of change by violence should prevail we should be faced by international anarchy.

"Respect for treaties and observanc of the pledged word," he said, "is the one immutable foundation on which the structure of peace can be built. On no other basis can an equitable and lasting solution of Sino-Japmese conflict be found."

Japan, he continued, had declined the invitation to the Conference, where they would have welcomed a full explanation of her side of the case regarding the incidents which led to the outbreak of hostilities as well as the underlying causes of the conflict.

She had replied equally negatively to the invitation to send a representative to exchange views with a small number of Powers chosen by the Conference. Such an exchange of views, Mr. Davis stated, would have been within the framework of the Nine-Power Treaty and in conformity with its provisions.

"Had Japan accepted," he said, "I am confident that we could have been most helpful to her as well as China.

"We hope," he added, "that Japan may still see her way clear to cooperate in the Conference's effort to find a just and suitable solution by voluntary and peaceful agreement."

Kuling Residents Ask Brussels Meet To Uphold Treaty Sanctity

A joint telegram was sent from Kuling residents Nov. 15 to the Nine-Power Conference at Brussels Nov. 15, urging that effective steps be taken to uphold the sanctity of the Nine-Power Treaty which respects China's independence and territorial and administrative integrity. "Actions not only words," the wire said, "are needed in order to put into execution the urgenttask now confronting he momentous conference at the Belgian capital."

Ace of Japanese Navy Pilots Falls in Flames During Bombing of Soochow

A naval plane manned by Lieutenant Sadao Shiraso, ace of Japanese pilots, hurtled to the ground, in flames, Nov. 16 during the bombing of Chinese positions in Soochow.

Huge Semi-Official Company to Develop Industries in Manchukuo

An extensive plan for a new Yen 450,000,000 semi-official holding company, which will be given a monopoly in the development of heavy industries in Manchukuo, was explained in Tokyo Nov. 16 by Gisuke Aiyukawa, president of the Yen 200,000,000 Japan Industrial Company. Mr. Aiyukawa explained that the first enterprise undertaken by the new company is the development of the iron manufacturing industry, to be followed by management of coal, gold, lead and other light metal industries.

"For this purpose," he said, "a majority of the shares of the Showa Steel Manufacturing Works is being taken over by the new company consequent upon the talks between myself and representatives of the works." He expressed his hope that iron mines in Tungpientao near the Korean border also would be exploited by the company as quickly as possible.

Referring to investments from abroad, Mr. Aiyukawa added that he would welcome all foreign financial participation, including that from America, Germany, Italy and other countries.

Manchukuo Credit Agreement with German Financiers Explained

Exchange of notes between Chuichi Ohashi, director of the Manchukuoan Foreign Affairs Bureau and a German trade ocmmissioner in Hsinking Nov. 16 disclosed details of a credit agreement reached between the Central Bank of Manchukuo and the Otto Wolf financing organization of Germany on Sept. 4.

A spokesman of the Hsinking Foreign Affairs Bureau explained that "although the first installment stands at about Yen 35,000,000 the credit agreement will be extended so as to allow Manchukuo to establish a second and third installments. The Hsinking government will also spare no efforts to accelerate the utilization of the agreement."

The spokesman further explained that at this time when Manchukuo is in great need of machinery to realize its large-scale five-year industrial plan on the one hand, and on the other is bending efforts to exploit inexhaustible natural resources, this credit agreement, which is based on a long term of six years and permits repayment up to 90 per cent by exports of staple products of Manchukuo, would also serve to save settlement of the exchange account on the part of Manchukuo. On the other hand, the spokesman added Germany will also be able to anticipate further co-operation with Manchukuo in development of industries in Manchuria.

Importance of German Interests Reflected in Special Economic Supplement

A 32-page German-Manchurian supplement was issued with the current number of the *Manchurian Economic Review*. German Trade in North Manchuria is discussed by A. V. Savitsky. There is an article in the German Four-Year-Plan by E. B. Kruse. Other articles are entitled: Four Years of Economic Reconstruction; Economic Organization in Germany; Iron and Steel Engineering, by Dr. L. Kesler; The Electro-Technical Industry, by Dr. W. Braun; The Ceramic Industry, by Dr. Guldschinsky; The Paper and Wood Pulp Industry, by E. Schoeller.

Lifting of Press Ban Uncovers Spy-Gang Arrests in Manchuria

With the lifting of an air-tight press ban on the alleged machinations of a huge Chinese spy ring in "Manchukuo," police authorities in Mukden Nov. 11 announced the arrest of 30 Chinese on charges of espionage. The 30 Chinese, the police announcement said, were rounded up during a wholesale raid and were charged with entering Mukden disguised as ragmen to carry out terrorist activities, train wrecking and other disturbances.

Japanese Object to Russians Taking Ko a ns to Turkestan

Adding a potential source of friction between Japan and the Soviet Union, a strong protest from the Japanese Government against the alleged action of Russia in enforcing a mass removal of Koreans from the Maritime Province to Turkestan, was lodged in Moscow Nov. 15 by Haruhiko Nishi, counsellor of the Japanese Embassy in Moscow.

New Governor of Shanghai to Be a Northern Man?

Chen Chu-seng, former head of the Peiping-Mukden Railway, and Tsao Jui-ling, of the Anfu Party have been mentioned as candidates for the post of Governor of Shanghai. A certain Chu Yao-soh has been suggested as the possible police head. Mr. Chen was reported to have arrived in Shanghai this week together with his Japanese wife.

O. K. Yui, the Mayor, whose domain has been occupied by Japanese forces, remains in Shanghai. General Yang Hu, the district military leader, was reported to have left here with his men

Outstanding Events from the Beginning of the War in North China

(Concluded from last week)

This installment of the summary of developments in the war in the North, beginning with the Lukouchiao incident at Peiping on July 7 completes the record to August 31. Beginning next week the summary of outstanding events on all fronts, which was suspended on Oct. 16 will be resumed. Persons desiring copies of this summary in pamphlet form should notify The Review immediately.

Aug. 3.—Japanese military authorities began to consolidate their position in the Tientsin area, making a house-to-house search for suspects in the various Chinese districts, causing serions disturbance among the people.

Aug. 3.—Japanese bomber was shot down at Toutien north of Liuliho on the Peiping-Hankow Railway.

Aug. 3.—Three high regional leaders, General Yen Hsi-shan of Shansi (who arrived yesterday), General Yu Han-mou of Kwangtung and General Ho Chien of Hunan arrived at Nanking to interview General Chiang Kai-shek and confer with him on the North China situation.

Aug. 3.—S. Kawagoe, Japanese Ambassador to China, left Tientsin for Dairen by air en route to Shanghai.

***

Aug. 4.—Tension in North China continued, as large number of Japanese troops continued to pour into the Tientsin-Peiping area.

Hostilities were expected to break out shortly at Nankow Pass, as 4,000 Japanese troops were concentrated there ready to launch an attack on the Chinese defence.

Aug. 4.—General Pai Chung-hsi arrived at Nanking from Kwangsi by airplane.

General Tsai Ting-kai, Commander of the former 19th Route Army, left Canton en route to Nanking.

Aug. 4.—According reports from various parts of the country, Japanese consular authorities had ordered a general evacuation of Japanese nationals from all coastal and interior cities.

Aug. 4.—**Ta Kung Pao**, the well-known Chinese newspaper at Tientsin, and the Tientsin office of the **Central News Agency** were closed.

Aug. 4.—A **Domei** report from Tokyo stated that the Japanese Government asked the Diet to appropriate Y.408,300,000 for expenses in connection with the North China Incident.

***

Aug. 5.—Lull prevailed in North China, but was generally believed that the Japanese forces would shortly launch major attacks on Paoting along the Ping-Han Railway and Nankow Pass on the Peiping-Suiyuan Railway.

General Sung Cheh-yuan issued a circular telegram, holding himself responsible for the adverse developments in North China and announced that he had appointed Gen. Feng Chih-an, Commander of the 37th Division, to take charge of the affairs of the entire 29th Army.

Peiping now garrisoned by Japanese soldiers, who patrolled the city streets and conducted demonstrative marches.

Aug. 5.—A **Domei** report from Tokyo stated that Foreign Minister Koki Hirota told the Diet that the "major point of our proposals to China consist in China's co-operation with Japan in joint defence against communism."

Aug. 5.—Wang Ching-wei in a radio broadcast last night at Nanking urged plain speaking in the present crisis. He recounted how dilatory tactics had proved fatal in former crises in Chinese history.

***

Aug. 6.—According to reliable foreign reports, about 15,000 fresh Japanese troops had arrived in the Tientsin area during the past few days, bringing the total of Japanese forces in North China to nearly 45,000.

Aug. 6.—As his relations with the Japanese had become strained, Gen. Chang Tzu-chung, commander of the 38th Division, announced his resignation from the chairmanship of the Hopei-Chahar Political Council on a plea of "ill-health." A new organization known as the Hopei-Chahar Advisory Council was reported being formed under joint Sino-Japanese auspices.

Aug. 6.—Three more provincial leaders arrived at Nanking, namely, General Ku Chu-tung of the Generalissimo's Sian Headquarters, Generals Ho Cheng-chun and Huang Shao-hsiung of Hupeh.

***

Aug. 7.—Offensive operations against Chahar imminent, as large numbers of Japanese troops were being moved to Peiping along the Peiping-Tiensin Railway. Meanwhile, Japanese airplanes were conducting daily raids on various cities along the Peiping-Hankow and Tientsin-Pukow Railways.

Aug. 7.—Japanese Ambassador S. Kawagoe arrived at Shanghai from Dairen in an attempt to renew talks with Nanking for a settlement of the North China crisis.

Aug. 7.—Commenting on the reported coming to Nanking of Mr. Kawagoe to re-open negotiations, a spokesman of the Foreign Office declared that China had been ready to talk peace but as Sino-Japanese relations had reached such a critical stage, the issue of peace or war had to be decided at once.

Aug. 7.—General Liu Hsiang, Szechwan Army Commander, arrived at Nanking to join the Government's conference on the North China crisis. He fully endorsed the program of armed resistance against Japanese aggressions.

***

Aug. 8.—Harmony of views prevailed at the conferences of military leaders at Nanking on measures to cope with North China situation.

Aug. 8.—General Tsai Ting-kai arrived at Shanghai from Hongkong, declared he was ready to do his duty as a soldier during the present crisis.

Aug. 8.—Japanese soldiers numbering between 2,000 and 3,000 entered Peiping through three gates.

***

Aug. 9.—A force of about 1,000 Japanese troops launched an attack on Nankow pass with heavy artillery. The attack was, however, successfully repulsed by the Chinese troops. Nankow during the past few few days had been the scene of feverish military preparations by Japanese troops. According to foreign reports, Japanese troops mobilized near Nankow had reached 25,000.

Aug. 9.—According to a **Reuter** dispatch from Tokyo, observers expected hostilities to be reopened in the course of the present week now that the Japanese communities in the Yangtsze valley had been evacuated and Sino-Japanese diplomatic relations virtually severed.

Aug. 9.—General Lung Yun, Yunnan leader, arrived at Nanking on his first visit, declaring that his province was ready to co-operate in the present crisis. General Yu Han-mou, Kwangtung Army Commander, returned to Canton following a visit to Nanking.

Aug. 10.—Maj. Gen. Itagaki, Chief of Staff of the Japanese Kwantung Army, arrived in Tientsin to command the 5th Division due to arrive in North China within a few days. Japan, according to report, will mobilize 14 Divisions, eight of which already arrived for the North China and Suiyuan campaigns.

Aug. 10.—Japanese plane shot down at Hsiung Hsien on the Ping-Han Line; vanguards of Japanese troops arrived at Toutien.

There was a lull on the Tsin-Pu front, Chinese forces took positions south of the Grand Canal.

***

Aug. 12.—Chinese troops still maintaining their positions at Nankow, despite heavy Japanese attacks during the past few days. According to Japanese reports, the Japanese troops had taken the Nankow Railway Station.

Aug. 12.—The American Chamber of Commerce at Tientsin passed a resolution opposing the withdrawal of American troops from Tientsin.

Aug. 13.—Chinese troops on the Tsin-Pu Line succeeded in making an advance; vanguards had reached Yangliuching, fifteen miles from Tientsin.

Aug. 14.—Fierce fighting broke out between Chinese and Japanese forces at Nankow pass.

Aug. 16.—According to **Domei** dispatch from Tokyo, Japanese Foreign Office announced that Shinrokuro Hidaka, Japanese Charge D'Affaires in Nanking had been recalled.

Aug. 17.—Fierce fighting continued at Nankow, as Chinese forces stubbornly resisted a strong Japanese offensive. Meanwhile it was reported that some 30,000

Japanese troops were planning to launch an attack on Kalgan, capital of Chahar, hoping to sezie it as a base of operations for a general offensive on Suiyuan.

Capture by Chinese troops on **August 15** of Shangtu, the chief military base of the "Irregulars" on Chahar-Suiyuan border, was officially confirmed by Nanking.

***

Aug. 18.—Japanese troops reported to have suffered heavy losses in operations at Nankow. Meanwhile, the heavy influx of Japanese troops to North China continued. 16 transports arrived at Taku Bar Aug. 17 with substantial contingents of infantrymen, cavalry and war supplies.

Aug. 18.—Following a week of continuous heavy bombardment by Japanese artillery and airplanes, and several bloody encounters between Chinese and Japanese troops, a lull prevailed at Nankow Pass, according to reports received at Nanking. Both the Chinese and Japanese retained their original positions, neither side making any advance.

Aug. 19.—After a lull of about 24 hours, fierce fighting again broke out at Nankow Pass. The Japanese rushed more troops while large numbers of reinforcements were also being sent to the Tientsin front.

Chinese troops on the Tsin-Pu Line launched a counter-offensive, pushing toward Tientsin.

Aug. 21.—The Japanese Military Headquarters at Tientsin announced Japanese offensive at Nankow Pass was delayed, because the region was flooded as a result of heavy rains.

Aug. 21.—General Sung Cheh-yuan and Gen. Chin Teh-shun (former Peiping Mayor) arrived at Nanking to interview the Central authorities.

***

Aug. 22.—Apparently due to their failure to force the Nankow Pass, Japanese troops belonging to the Kwantung Army which had advanced through Chahar from Dolon-nor on the Jehol border, made severe attacks at various points near Kalgan, capital of Chahar, in an attempt to threaten the Chinese rear along the Ping-Sui Railway. Nanking regarded the situation as serious.

Aug. 23.—All Japanese cotton mills at Tsingtao suspended operation and handed over to the local Chinese authorities for safe-keeping. The majority of the Japanese residents had evacuated.

Aug. 24.—Capture of Nankow pass by Japanese forces at 6 o'clock this morning was claimed by Japanese War Office in Tokyo.

Aug. 24.—Chinese troops on the Tsin-Pu Line continued their advance toward Tientsin.

Aug. 25.—Chinghai, first important station south of Tientsin, was reported captured by Japanese troops.

***

Aug. 26.—The unexpected appearance of a unit belonging to the Kwantung Army in the rear of Chinese forces at Nankow Pass enabled the Japanese to occupy Kalgan, Huailai and Patalin, according to a communique issued by the Japanese military authorities at Tientsin. The Chinese troops defending Nankow were reported to have been cut off from the rear.

Aug. 29.—The Railway Station at Tatung, northern Shansi, seriously damaged by a Japanese air raid.

Aug. 30.—The Chinese military authorities in Nanking issued a communique stating that Chinese troops evacuated Kalgan during the night of August 27. As the evacuation of Kalgan made the Chinese position at the Nankow and Chuyung passes untenable, the communique further stated, the Chinese troops there had also been withdrawn from these two points.

Aug. 30.—Japanese outposts had advanced to a point eight miles north Machang on the Tsin-Pu Line, according to a Japanese report.

Aug. 30.—Large number of Chinese civilians killed or wounded when 21 Japanese planes raided Tsangchow, Machang and other points on the Tientsin-Pukow Railway.

General Chiang Will Devote Whole Time to Military Affairs

In order to devote his entire attention to military affairs, General Chiang Kai-shek, chairman of the Military Affairs Commission, this week relinquished the Presidency of the Executive Yuan to Dr. H. H. Kung. There has also been a change in the Vice-Presidency which is being taken over by Dr. Wang Chung-hui. Both Dr. Kung and Dr. Wang are retaining their former duties as Minister of Finance and Minister of Foreign Affairs respectively.

Salt Revenue Department Removed to Nanking

The Salt Revenue Department of the Ministry of Finance is among the subordinate offices of the Ministry which have removed to Nanking.

Japanese Capture Taming, Important Town in Southern Hopei

Taming, important town more than 100 kilometres south-east of the Peiping-Hankow Railway in Southern Hopei, fell Nov. 15, The withdrawal was said to have been effected to avoid further sacrifice in view of the fact that their positions at Taming were rendered untenable as a result of intensive artillery and aerial bombardment. Holding himself responsible for the loss of Taming, General Ho Chi-feng, divisional commander, shot himself in an attempt to end his life. He was rushed to the base hospital for medical treatment.

Japanese Halt Southward Advance

The Japanese advance southward from Taming, was halted Nov. 17 in order to deal with the large Chinese forces which sought some days previously to cut their communications.

Japanese Claim Huge Booty Captured at Taiyuan

Extent of the casualties and losses inflicted by the Japanese troops on the Chinese at the battle of Taiyuan were listed as follows in Japanese reports: Bodies left behind, 500; arms captured—field and mountain guns, 78; trench mortars, 400; gas masks, 2,000. Supplies seized—Rice, 20,000 sacks; kaoliang and millet, 8,000 bags; flour, 132,000 pounds; phosphorus, 82,000 pounds; cigarettes, 2,500,000.

Japanese in Practical Control of Hopei Province

Almost complete control of Hopei Province by Japanese troops was claimed in a communique issued by Japanese garrison headquarters in Peking Nov. 12. Mopping-up operations against Chinese still remaining in areas midway between the Peking-Hankow and the Tientsin-Pukow Railways were completed—nearly clearing Hopei Province of Chinese soldiers, the communique said.

In addition to nine British Missionaries there were at Taiyuan-fu two Salvation Army followers—Mr. and Mrs. Beney, of Swiss nationality, with their six children.

Mobilization Conference Held in Changsha

A general mobilization conference was held in Changsha this week under the auspices of the Hunan Provincial Government. The conference considered detailed measures for offering the manpower and material resources of the entire province to the State for strengthening the campaign of resistance against Japanese invasion.

Japanese Lose Heavily During Battles at Hsinkow Hills

The Japanese officers and men killed recently in storming the Chinese positions at Hsinkow hills, strategic regions north of Taiyuan, totalled 11,832, according to a foreign report published by *Central News* in Shanghai Nov. 11.

Following a three-day siege, Japanese Army units on the night of Nov. 11 stormed Chinese positions at Hokwochen, east of Shunteh on the Peiping-Hankow railway, Japanese field headquarters announced in Shihchiachwang Nov. 12. The Chinese retreated to the east, leaving behind many dead and a large quantity of arms and ammunition, according to the announcement.

Chinese Desperately Defend Positions oNorth Bank of Yellow River

A *Reuter* message from Nanking Nov. 15 stated that the Chinese forces were desperately holding on to the north bank of the Yellow River in an effort to stem the Japanese advance on Tsinanfu. The Chinese centre was along the Tientsin-Pukow Railway, near Yenchen, ten miles north of the Yellow River, while the right wing is near Chiyang, on the north bank of the Yellow River, and the left wing near Chiho, also on the north bank. Chinese forces at Taming, in south Hopei, withdrew to a point south-east of the city. Japanese war aeroplanes severely bombed the Yellow River ferry at the crossing points.

Japanese advance troops, making a detour to cut off the Chinese retreat, according to the Japanese announcements, occupied a strategic position between Linyi and Tsinan, about twelve miles from the Yellow River. Nov. 15.

A Japanese motorized unit, about 800 strong, Nov. 13 attacked Tsiyang below Tsinan, In scores of armored cars, the Japanese came by way of Lingyi with Japanese and Korean smugglers as their guides.

The fall of Yucheng south of the Tuhai River in northern Shantung was indicated in Chinese military despatched received in Hsuchow Nov. 14, which stated that the Chinese were holding out at Yencheng.

Retreating Chinese troops along the banks of the Yellow River and on the Hopei-Shantung border were bombed and strafed by Japanese army aircraft throughout the day, Japanese Field Headquarters at Tehsien announced Nov. 14. Chinese forces evacuating from Lingyi and Yucheng, the announcement added, were also bombed.

Chinese Blow Up Bridge Over Yellow River

In an effort to stem the swift advance of Japanese troops, the Chinese blasted the iron bridge over the Yellow River at two points, Japanese field headquarters announced in Pingyuan Nov. 17.

Two Japanese Bombers Shot Down While Raiding Nanking

Two of the 18 Japanese planes, half of them bombers and half pursuits, which raided Nanking Nov. 11, were shot down by Chinese anti-aircraft guns. One of the two ill-fated planes, receiving a direct hit from anti-aircraft shells, came down in flames in clear view of hundreds of onlookers. The Japanese planes appeared over Nanking shortly after 1.30 p.m., concentrating their attack on the Tachiaochang area outside the south gate. The number of bombs dropped was estimated at between 50 and 60, but only slight damages were reported.

The doomed plane, which was hit within sight of the spectators had broken formation from its squadron and while it was making a turn over Tachiaochang, it was hit. The conflagration and the terrific velocity of the fall blew the heavy bomber to pieces, and only the motors remained visible when visitors viewed it at Tachiaochang. The other damaged plane crashed at Shihpopuchiao in Kiangping district, southwest of Nanking. All six occupants were found dead in the wrecked machine.

Three Japanese bombers, accompanied by three pursuit 'planes, raided Nanking Nov. 14. The bombers made two flights over the city, bombing the airdrome outside the Kwanghuamen both times. Twenty airplanes took part in raids on towns near Nanking, including Yanchow, north of the Yangtse River.

PROTECTING THE CAPITAL AGAINST JAPANESE PLANES

Modern type of anti-aircraft gun used by the Chinese in the defense of the National Capital at Nanking.

Japanese Rain 700 Bombs on Soochow, "the Venice of China"

Japanese 'planes rained more than 700 bombs on Soochow Nov. 15 and 16, according to Chinese reports. The city, known as the Venice of China, is stated to have suffered enormous damage. Dr. Ettinger, the superintendent of the Red Cross hospital there, says that one Red Cross dressing station "completely disappeared when it was struck by a 500-kilogram bomb. Only a huge crater in the ground and one leg marked the spot." Telephonic and telegraphic communications between Soochow and Nanking have been interrupted.

Japanese Claim Ten Chinese Planes Destroyed at Nanking

The destruction of ten Chinese airplanes grounded on the Tachiaochang airdrome outside the city walls of Nanking Nov. 11 was claimed in a communique issued by the Japanese naval authorities the following day.

Japanese Planes Raid Ningpo—100 Casualties Among Civilians

A private Chinese message received in Shanghai from Ningpo, stated that Japanese bombers raided the Ningpo Bund shortly after noon Nov. 12 resulting in about 100 civilians being killed or wounded.

Kashing, an important junction point on the Shanghai-Hangchow Railway in Chekiang, was bombed by Japanese planes four times Nov. 14. A total of thirteen explosive bombs and one incendiary bomb were dropped in the raids, demolishing over thirty houses. Two of the bombs hit the local cathedral, destroying the building partially, while three other missiles landed on the children's playground, causing no casualties, however.

American Mission Hospital in Wusih Is Bombed by Japanese Planes

The St. Andrews Hospital of the American Church Mission in Wusih was bombed by Japanese 'planes Nov. 12, according to reports received by the United States Embassy in Nanking. The hospital and mission are in separate compounds, and although both were flying the American flag, both were bombed.

Japan Gets an Air Scare—The Vulnerability of Osaka

Western Japan was startled by an air-raid alarm shortly after noon on that date after receipt of a report that three Chinese Northrop planes had passed over the Yangtze Estuary at 10.30 a.m. and were proceeding east. After hours of anxious waiting, another report stated two of the planes were brought down by Japanese machines near the Saddle Islands, but the third had escaped and was on its way to Japan. The lone adventurer, it was stated, was eventually overtaken and "destroyed." The all-clear was sounded at 5 p.m.

The staff correspondent of the *Osaka Mainichi*, located "Somewhere-in-China," Oct. 13, asked: What would be the situation in Tokyo and Osaka if they were air-raided like Nanking?

Answers to this question were given him at a point on the front by three men who took part in the Nanking air raids. In the first place, Nanking is well protected by the mountains encircling the city, by the Kiangyin fortress on the Yangtse river and the warships afloat on the same river, and by airplanes with innumerable airbases around the city. Generally speaking, the air-defense facilities are ideal around Nanking. In addition, the walls of Nanking are lined with more than 100 anti-aircraft guns and the air-raid warnings can be sounded in the city at least one hour before the actual raid. The gunners are excellent marksmen.

Tokyo and Osaka, compared with Nanking, are far less favored in natural air defenses. Tokyo and Osaka are bounded largely by water. Anti-aircraft guns in Tokyo and Osaka must also be set up on the same level as the city, which is comparatively unfavorable.

The greatest question is the make-up of the city, the buildings, dwellings, and other structures. In Nanking all the public buildings are of concrete and most of the dwellings are of brick and other fire-proof materials. The only inflammable parts are the beams, girders, and furniture in the houses. If Tokyo and Osaka were made targets, the situation would be entirely different because most of the houses are still wooden structures.

Japan's Aim in China Is a Conclusive Defeat and Dictated Peace Terms

BY NATHANIEL PEFFER

(New York Times)

Japan has begun to put into practical effect the strategical plan stated in generalities in the last few weeks. The bombardment of Nanking, Canton and other cities, the offensive along the Peiping-Hankow Railway, aimed at clearing Central China of its strongest forces, and the sweep through Shansi and Suiyuan Provinces are the evidence.

Weeks ago the Japanese had abandoned their hopes of confining hostilities within the boundaries of a "local" incident. What was described a few weeks ago as the policy of "non-aggrevation" —the phrase recurred in almost every official statement or interview—was unofficially abandoned. The Chinese had scuttled it.

In essentials the policy meant the clearing of every remaining vestige of Chinese military and civil authority from Hopeh and Chahar Provinces, in which case the local incident would be closed, there would be peace and, incidentally, China would have lost two more provinces. But the Chinese did not acquiesce. Not all local military authority cleared out, and Chinese forces from other parts of the country started on the way to back up that which remained. And while Chinese on the one hand were massing south of Peiping, on the other they were massing around Shanghai. The Japanese wanted a local incident; the Chinese saw a national issue.

Big-scale fighting broke out in Shanghai first. This fact was not altogether unwelcome to the Japanese, since it delayed the formation of the Chinese expeditionary force south of Peiping and thus gave the Japanese time to bring over sufficient reinforcements. But it also doomed any policy of localization and effortless conquest of two provinces.

Unofficially but unmistakably both civil and military officials then gave notice that Japan was out to do a thorough job once and for all. Japan, they said, was going to strive for a "fundamental solution" of Chinese Japanese relations; Japan would take "positive" measures. But the aim was only to make China "reflect," or, as they sometimes put it, to "reconsider." In any case, what they meant was that they were going in for full-scale war, to give China a conclusive defeat and then dictate peace terms. Once and for all they would make China acknowledge submission.

The central principle of Japan's strategy is the destruction of the focal point of Chinese resistance and, in result, the removal of all impediments to the objects the Japanese Army set for itself as soon as it had consolidated Manchukuo in 1933. And every move of the army in the last fortnight was in furtherance of that principle.

It has been resolved to destroy or paralyze Nanking, because thus it is believed the most telling blow can be dealt to Chinese morale. The new capital is the symbol to the Chinese of their unification and new-found strength. Destroyed, it may become the symbol to the Chinese of the futility of resistance to Japanese power.

Not only that, but Nanking is the stronghold of Chiang Kai-shek and his political and military organization. To destroy it would leave the country without its most solidly founded base. Chiang Kai-shek turned or allowed himself to be swerved from his policy of conciliation; and for that he must be punished.

For much the same reasons Shanghai must be cleared of all Chinese and taken over by the Japanese entirely. Shanghai is the country's industrial, financial and commercial capital. It provides the sinews of war. It is the headquarters of the banking group whose support has been Nanking's reliance. It is the heart of the new industrial anatomy of the country and pumps blood through the arteries of that anatomy. With Shanghai cut off, the rest of the country reverts to a simple local economy, is economically isolated and more easily vulnerable to Japanese economic and military pressure. Also, Shanghai is the intellectual center. With the Chinese there crushed, the class that galvanized the country to open resistance is throttled or dispersed.

It is part of Japanese strategy, too, that the line from Peiping down to the Yellow River be taken and held. Hence the drive to Paoting. If that city can be taken and at the same time the line from Tientsin southward toward Shantung, then Hopeh Province is effectively Japanese, Shantung is potentially Japanese and the road is cleared to the Yellow River certainly and more likely to the Yangtze.

At the same time the campaign in the Northwest is proceeding —in Suiyuan, Chahar and Shansi. Two objectives are here in view. In the first place, the original scheme of five northern provinces detached from China in a pseudo-autonomous status is to be consummated. On this the Japanese Army, or the aggressive element within it, resolved after the taking of Jehol. It is this that the Chinese have checkmated since 1935, to the chagrin of the Japanese Army, which has lost face in addition to being frustrated. In the second place, the necessities of larger Asiatic strategy require this thrust.

In what is going forward now in the Far East there are what may be called a local strategy and a broad continental strategy.

JAPAN'S PROGRAM OF CONQUEST ON THE CONTINENT

This map reproduced from the New York Times illustrates in graphic manner the Japanese objectives in China.

The first has to do with China alone, the second with the so-called continental policy, in which the major factor is Soviet Russia. In dealing with Soviet Russia two things are necessary: (1) Russia must be driven out of Outer Mongolia or Outer Mongolia must be bottled up, and (2) Japan must get into a position from which Siberia can be flanked and the Japanese Army will be able to drive straight into Siberia and thrust a wedge across it. Thus Far Eastern Russia can be severed from European Russia and thus also Soviet Russia can be cut off from China.

If Japan's strategy is to succeed, communications between Outer Mongolia and China proper must be cut. There was a reason for the sudden debouching from Peiping into Kalgan soon after the first skirmishes. Caravan routes between Sinkiang and the Northwest must be cut. Japanese occupation of Shansi is essential, and there is a reason for the descent of the Kwantung army from Manchukuo into Shansi.

In other words, the events of the last few days in the Far East, confusing and unrelated as they may seem, were systematically thought out and have a double purpose. In the first place, declaration of war or no declaration of war, Japan has set out to beat China into national surrender. This is a war of nation against nation, like any other war. In the second place, whatever local or temporary or accidental divagations there may have been, Japan is following out almost with engineering exactitude the plans its army laid down years ago for expansion on the continent.

Washington Gets an Inkling of Japan's Peace Terms for China

An outline of the terms which extreme Japanese militarists are urging should be imposed upon China was received from a usually well-informed source in Washington, a *U. P.* message dated Nov. 12 stated: The terms are such as would make China completely subservient to Japan without technically violating the Japanese official assertion that Japan has no territorial ambitions in China.

Peace terms of Japanese military extremists are said to be:

1. Recognition of Manchukuo and formation of an economic bloc among China, Japan and Manchukuo.
2. Formation of autonomous, anti-Communist administrations in North China and Inner Mongolia, both under Japanese protection but controlling all their own taxes and Customs revenues.
3. Appointment of a Japanese Inspector-General of Customs and of Japanese advisers in all national and provincial departments and revision of Chinese tariffs to promote an exchange of Japanese manufactures against Chinese raw materials.
4. General Chiang Kai-shek to make way for a pro-Japanese President, and China to join the anti-Communist bloc so far comprising Japan, Germany and Italy.
5. China not to possess an army or war planes; a special Peace Preservation Corps to be formed for internal police functions: all commercial air services to be managed, and airplanes to be supplied, by Japan.

Purported Japanese Peace Terms Denied by Gaimusho

Press reports of alleged Japanese "peace terms" in the present China conflict were categorically denied by the Tokyo Foreign Office spokesman Nov. 16.

A French news service had listed the proposed place terms as follows:

1. Adhesion by China to the tri-partite anti-Communist pact.
2. Maintenance by China of only "a nominal sovereignty" over North China.
3. Demilitarization of the provinces in the Yellow River basin.
4. Japanese troops, now north of the Yellow River, would be withdrawn only after a period of several years.
5. Extension of the Demilitarized Zone around Shanghai fixed by the Truce Agreement of 1932.
6. De facto recognition by China of the independence of Manchukuo and of Inner Mongolia in the light of the agreement of the Nanking authorities to recognize as minority groups the Manchurians and the Mongols.

Five Implied Requirements

The report further said that China's adherence to the anti-Comitern pact would imply the acceptance by China of five requirements. These were given as:

1. Acceptance by the Nanking Government of Japanese, Italian and German advisers on military, diplomatic and economic affairs.
2. Reorganization of the Chinese Army coupled with the creation of a special anti-Communist Corps. Offensive armaments would be banned.
3. Utilization of China as a strategic base by the "anti-Comintern Powers."
4. Economic co-operation between China on the one hand and Japan, Germany and Italy on the other.
5. Elimination of the influence of Great Britain, France and of the Soviet Union in China with a view to "repairing the damage done to the integrity of China" by those Powers.

Present Operations in China Merely "Preview" of Horrors of Future Warfare

A *United Press* message from Washington Nov. 10 pointed out that the present war in China is merely a preview on a small scale of what future war operations will probably have in store for the population.

War equipment at present being held under cover but which would be used to the full in a world conflagration included:

1. Poison gases, most feared of all weapons and held to be the greatest menace to civilian populations.
2. Flame throwers, mounted on speedy armored tanks, which belch streams of fire of tremendous heat, said to be capable of incinerating a man like a fly in an acetylene torch.
3. Bacteriological warfare, or the spreading of disease through missiles or "sprays" released from aeroplanes, which some military experts believed would develop into the cruellest means of attack in history.
4. Motorized cavalry, troops equipped with speedy, easily manoeuvred mechanical conveyances capable of delivering a swift, surprise blow at an army's flank and of speeding to the site of any emergency.

Latest estimates of the number of available military planes in Europe showed Russia leading the field with about 5,500.

Japanese Emperor Tells Nation It a Has "Long Way to Go"

Emperor Hirohito, delivered an extraordinary message from the throne Nov. 12 in which he cautioned his people that Japan "has a long way to go before realizing her objective—the establishment of lasting peace in the Far East." The rescript was addressed principally to the Japanese forces operating in North China and Inner Mongolia. Speaking through Field Marshal Prince Kotohito Kanin, chief of the Army General Staff, the monarch expressed his warm appreciation to the Japanese officers and men for overcoming sufferings and privations. The sovereign praised the successful conduct of extensive operations which he said enhanced the prestige of the Japanese Army. Emperor Hirohito also expressed his deep sympathy for those who fell on the battlefield and those wounded or taken ill during the present campaign.

Herr Hitler as a Possible Peace-Maker Between Japan and China

Herr Hitler, with the approval of Italy, is applying pressure on both General Chiang Kai-shek and Tokyo to accept his mediation in the Sino-Japanese dispute, the London *Daily Herald* stated Nov. 11. The Reichsfuehrer, the newspaper asserted, has warned General Chiang Kai-shek that it is useless to dream of victory or to expect help from the Brussels Conference, and that the continuance of the war would mean the Communists would get the upper hand, the downfall of General Chiang and his friends, and Russian supremacy in China.

Simultaneously, the journal describes Herr Hitler as urging Japan to take what she can get now and not entangle herself in an indefinite guerilla war which would dangerously exhaust Japan and inevitably throw China into Russia's arms.

Pope Backs Japanese War on China "If Reds Are Foes"

An *Associated Press* message from Vatican City, Oct. 14, published in the *Chicago Tribune*, quoted a reliable Vatican source as saying that the Holy See condones Japanese military activity in China wherever communism appears to be the enemy. This policy was said in Vatican quarters to represent a normal expansion of Pope Plus' increasingly militant campaign against bolshevism. It was described as being in harmony with the Vatican's attitude toward the Spanish civil war and with the outspoken attacks on communism which the pope made in his encyclicals of March 18 and Sept. 29.

The Vatican source said this policy had been set forth in a private memorandum defining the church's position in the Chinese-Japanese conflict.

Catholic representatives in the Far East were said to have received instructions to adapt themselves to this policy. Wherever in China the communist peril seemed real they have been told, this source said, "to support, without reserve, Japanese action." At the same time they were instructed to continue and intensify their work of Christian charity to aid the sufferers of both sides. Complete impartiality is to be the rule in ministering to the wounded of either nation.

The Vatican source said that the private memorandum contained eight specific intsructions, of which the more important were summarized as follows:

"Wherever bolshevist danger appears active to support, without reserve, Japanese action.

"To give Japanese military authorities the clear impression that on the part of the Catholic church there is no obstacle to complete collaboration."

The Vatican source said the Holy See considers China as the "region in all the world most immediately and most easily exposed to bolshevist invasion."

Instructions to Catholic workers in China were said to include these points:

"To preach the necessity of China's comprehending the precepts of Japanese civilization and divesting herself, especially in certain districts, of ferocious Mongolian influence. (This apparently is a reference to the fact that Outer Mongolia has come under Soviet Russia's protection and tutelage.)

"To point out that China's vastness, provided the people rediscover the standards of their ancient civilization, will tend to permit gradual absorption of Japanese influence."

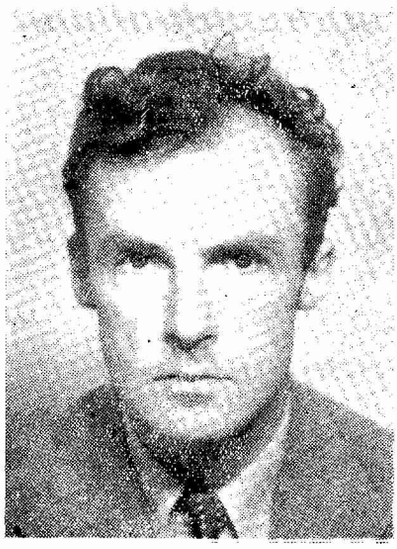
It is to be noted in this connection also that the *Chicago Tribune's* correspondent in Paris had reported that the Vatican had joined democracies of the world in a campaign for peace. Dispatches from Rome said the *Osservatore Romano*, the Vatican newspaper, had attacked aggressors. The article was interpreted as being aimed at Japan, Italy, and Germany.

Pope Sends Funds for China's War Refugees

According to a message from Rome, the Pope has ordered a donation of 100,000 liras to be remitted to China for the relief of war refugees. This gift is in addition to a remittance of 85,000 liras previously remitted to China.

Philip P. Stephens, London "Daily Telegraph" Correspondent, Killed by Japanese

Philip Pembroke Stephens, correspondent of the London *Daily Telegraph* was instantly killed on the afternoon of Nov. 11 while he, with a group of other correspondents and observers, were viewing the fighting in Nantao from the top of the water tower at the end of Avenue Dubail in the French Concession. Mr. Stephens was killed instantly by a bullet which struck him just above the left eye. Wounded at the same time that Mr. Stephens was killed were: Bernard A. Sindberg, Danish photographer of Mr. Stephens, who received a slight bullet wound in the shoulder; P. Amettler, of the French Tramways, who received a bullet in the thigh; and A. L. Thuranszky, a Hungarian.



Shanghai Times Photo

Mr. Pembroke Stephens

An eye witness account of the incident was given by Captain E. F. Carlson of the United States Marine Corps, who himself was watching the Nantao operations from an elevated position close to the water tower. For fifteen minutes, Mr. Carlson said, the water tower was being sprayed by Japanese machine gun bullets. Chinese soldiers, with their backs against the creek, were firing south at the Japanese on the other side of them.

Suddenly a Japanese machine-gunner, Captain Carlson told the *North China Daily News*, elevated his fire, subjecting the water-tower to the fifteen-minute pelting of bullets. A French soldier, during the firing, climbed part of the way up the tower to hang up a French flag. As soon as the French flag was displayed the Japanese machine-gun fire ceased. However, French flags were already flying from the other buildings of the French Waterworks adjacent to the water-town. The bullet-scarred top of the steel-reinforced tower indicated the deliberateness of the Japanese gunfire which could have been intended for no other purpose than against the foreigners standing on the tower platforms. Later the firing was resumed.

The sight of blood on the ground was the first intimation received by Captain Carlson that some of the observers on the platform above, had been hit. He immediately at great personal danger, climbed the water tower to the platform, some eighty feet above the ground, on which he had seen the feet of the observers.

There he saw seven men lying flat on the platform in a closely huddled group, too terrified even to raise their heads to see what was happening. One of them finally asked "Are the Japanese coming?"

Captain Carlson assured them that the Japanese were not coming and that since hundreds of Chinese troops had retreated into the Concession at the time the machine gun firing had ceased, it was now safe for them to get up. All but one did. Mr. Stephens was dead, lying in a pool of blood.

The late Mr. Stephens was 34 years old. He was born in London and was married, with two children. He was educated at Holts School, Norfolk, and Trinity Hall, Cambridge. He was a barrister-at-law, Lincolns Inn and had experience on the stage before joining the *Express*; covered the war in Abyssinia for the *Express* but later resigned and proceeded to Spain for the *Daily Telegraph*. At the beginning of the hostilities in the Shanghai district, he was sent out to Shanghai by airplane.

A Japanese military spokesman admitted the same afternoon, that immediate military investigations, carried out on the spot by a Japanese military official, indicated that Japanese machine-gun units, at that time, had been firing on Chinese snipers stationed atop buildings in the Chinese area in direct line with the water tower. The Japanese army spokesman personally expressed his regret at the loss of a member of the foreign correspondents corps who had frequented the Japanese press conferences. Other competent foreign observers, including American military officers and newspaper and also officials and newspaperman of other nationalities, including the French who were guarding the border of their concession, claimed that no Chinese snipers were visible on the house-tops across Siccawei Creek, a narrow stream.

A tribute was paid by Quo Tai-chi, Chinese Ambassador in London, to the memory of the late Mr. Stephens, in a cabled message from Brussels to Lord Camrose, chief proprietor of the newspaper. Mr. Quo declared that "it is the feeling of my fellow countrymen that his death is not only a loss to his own profession, but has deprived China of a friend and an impartial observer."

The funeral of Mr. Stephens, was held at Bubbling Well Cemetery Nov. 14. Dean A. C. S. Trivett of Holy Trinity Cathedral conducted the service. The pall-bearers included:

French police and firemen carried the body of Mr. Stephens down the narrow stairway from the platform more than 80 feet above the street where he was killed.

Lord Killanin, Messrs. M. C. Ford, Edward A. Ch. Walden, A. P. Finch, Hallett Abend, H. R. Knickerbocker, J. M. D. Hoste and Eric Davies. Among others sending flowers were:

Lord Camrose, Directors and Editorial Staff of the London *Daily Telegraph*; Edward A. Ch. Walden, *Daily Telegraph*; Percival Finch, *North-China Daily News* and the *North-China Herald*; The *Shanghai Times*, *The China Press*; *The Shanghai Evening Post & Mercury* *The Shanghai Zaria*; *The Russian Daily News*; Arthur Christiansen Editor, London, *Daily Express*; *United Press*; F. H. Glimpf, *Deutsches Nachrichtenbuero*; O. K. Yui, Mayor of Greater Shanghai; *Nationaltidende*, Copenhagen; Maior-General A. P. D. Telfer-Smollett; *Reuter*; *Associated Press of America* and staff; The Staff of *Havas* News Agency; Paul Huldermann, Chief-Editor *Ostasiatischer Lloyd*; German Consulate-General; Hallett Abend; Former editorial colleagues of the London *Daily Express*; *Le Journal de Shanghai*; H. J. Timperley, China Correspondent, The *Manchester Guardian*; J. B. Powell and Staff of the *Chicago Tribune*; Docteur A. Richer; Z. B. Toong; *Sin Pao* Daily News; Hollington K. Tong; Dr. T. T. Li, Foreign Ministry, Nanking; Victor Keen, *New York Herald Tribune*; Japanese Consul-General; Yui Ming, Shanghai Office, Foreign Ministry; Editor and Editorial Staff of the London *Daily Mail*; C. J. Chancellor; M. C. Ford; Chas. W. Sutton, London *Daily Express*; Japanese Press Officers; Ting Yung Chang, Secretary, City Government of Greater Shanghai; The Great Northern Telegraph Company; W. Rutley Mowll; *Transocean* News Service; H. R. Knickerbocker; *Domei* News Agency; Louis Suter; Baroness Nina von Reeze; J. G. Haigh and Trinity Hall; Michael Killanin, special correspondent, London *Daily Mail*; Reginald Sweetland, The *Chicago Daily News*; S. S. Moosa; Mrs. Elizabeth Lello; E. Arregger; Mr. and Mrs. Fabian Chow; Edward Dunn; B. A. Sindberg; Andy; International Guides Bureau; C. R. Lewis; Mrs. Hanna Durst; Evans Fordyce Carlson; O. D. Gallagher, *Daily Express* War Correspondent; and others.

Tokyo "Nichi Nichi" Publishes Scandalous Account of Death of Mr. Stephens

The *Nichi-Nichi*, leading Tokyo newspaper, on Saturday morning, Nov. 13, published a scandalous report from its correspondent in Shanghai alleging that Pembroke Stephens, correspondent for the *Daily Telegraph*, London, was not killed by bullets fired by a Japanese machine-gunner on the Nantao front, but died as a result of wounds "received in a personal encounter with other British correspondents."

The report sent to Tokyo by the Shanghai correspondent of the *Nichi-Nichi* was an exaggeration of an incident which occurred several days prior to Mr. Stephens death when he and another British correspondent engaged in a "school-boy" scuffle at the Metropole Hotel where both resided. The Japanese correspondent used this for the fake allegation that he had died as a result of wounds suffered in the encounter rather than by Japanese machine-gun bullets.

Japanese Realize That the British Are Their Major Opponents in China

"Japan's major opponent in the present Sino-Japanese conflict is England," was the somewhat startling declaration featured in the Nov. 11 issue of the Tokyo *Yomuri*. Although this statement may be regarded with some scepticism in more conservative Japanese circles, it nevertheless indicates the rapid growth of anti-British sentiment in Japan during the past few weeks, a Tokyo dispatch stated. Further attempts to bring the conflict to an end

will be futile, the *Yomiuri* went on to say, until this "enemy in the background" has been relegated to his proper position.

Japanese Are Greatly Irritated by British Friendship for China

Agreement to convoke a mass meeting to demonstrate against Great Britain's attitude in the Sino-Japanese conflict was reached in Tokyo Nov. 12 by a group of retired naval and military officers, diplomats and politicians.

The group met at the Industrialists' Club on the invitation of Teijiro Yamamoto, leader of the Seiyukai. Conferences included Gen. Takashi Hishikari, reserve officer and former Ambassador in Manchukuo and Commander-in-Chief of the Kwantung Army; Admiral Shozaburo Kobayashi of the reserve corps; and others.

In an editorial Nov. 13 the Tokyo *Yomiuri Shimbun* said General "Matsui had shown Great Britain where to get off."

Commenting upon General Matsui's reply to the foreign correspondents in an interview which he gave in Shanghai on Nov. 11, the *Yomiuri* states that his replies were clear-cut and even exhilarating; "they must have been just so many jabs in the ribs of those who are addicted to work sneakingly and under cover."

The newspaper added that the fall of Shanghai is probably a greater blow to Great Britain than the attacks of mysterious submarines in the Mediterranean; for the vicious lies concocted between China and Great Britain and spread by *Reuter* will now be driven out of Shanghai together with the Chinese troops: this will mark the ousting of fiction by news.

Report that British Contemplated Using Force in Shanghai Is Denied

In receipt of the report to the effect that in the course of an interview with foreign correspondents in Shanghai, Gen. Matsui, commander of the Japanese forces in Shanghai, declared that "Japan is now master of Shanghai and that Japan will take direct actions if necessary in the International Settlement" the British Government (according to a London message in the *Ta Mei Wan Pao*, Nov. 12) has instructed the commander of the British forces in Shanghai to use force if necessary to protect the International Settlement against Japan.

Reuter on the following day issued a denial of the above report.

Chinese in Settlement Worried Regarding Future Political Protection

The *Shun Pao* Nov. 13 stated: "Following the strategic withdrawal of the Chinese troops from the vicinity of Shanghai, Chinese residing in the foreign settlement are more or less worrying about their personal safety as they have no political protection. It is because of this reason that the Political Department of the Military Affairs Commission and Mayor O. K. Yui issued lengthy statements regarding the present situation, which have greatly encouraged the people. Now the International Settlement and the French Concession are surrounded by the enemy troops. Chinese Government offices are still functioning inside the Settlement and Concession. The authorities of the Settlement and the Concession are still maintaining the status quo strictly. Chinese rights inside the Settlement and Concession should not face any problem. If the situation develops to such an extent that Chinese Government offices cannot function in the Settlement and Concession and the Chinese sovereign rights in the Settlement and Concession are endangered, we shall face a problem of the entire fate of the Settlement and Concession."

Manchester "Guardian" Says Japan's Military Successes Do Not Solve Her Problems

Japan's military successes does not mean that she has solved her problems, the *Manchester Guardian* declared Nov. 11. To go on until the whole Chinese nation has been defeated and the Chinese armies broken, the newspaper asserts, is a prospect likely to daunt the most warlike Japanese. It is extremely doubtful, however, it added, whether even Germany could at present find a basis for peace acceptable to both sides. The Chinese army, at least, the journal concludes, is in no mood to accept peace on Japan's terms.

The Military Affairs Commission Nov. 10 ordered General Yu Han-mou, Pacification Commissioner for Kwangtung and concurrently Commander-in-Chief of the 4th Route Army, to detain and punish Captain Fang Nien-tsu, Commander of the gunboat *Chaoho*. The accused, who failed to obey orders and was derelict in his duties, was in command of his ship last month when Japanese airplanes attempted to bomb the gunboat, then anchored on the Pearl River at Whampoa. Captain Fang will be dismissed from office as a measure of military discipline.

Japanese Warships Shell Amoy

Northern Amoy was again shelled by a Japanese cruiser from Quemoy Island Nov. 15. In the afternoon, a lone Japanese plane raided the island, dropping eight bombs near the forts. In previous days, several Japanese pinnaces were seen sounding the depth of the sea round Amoy.

Your Safeguard...

In Emergency, in case of accident or serious illness ... the Telephone springs into action to safeguard your home and family. It calls the doctor, the police, the fire brigade ... swiftly it brings you help ... its promptness can prevent serious developments ... it saves time, worry, suffering, loss ... Let your home enjoy the protection of a

TELEPHONE

Order from our Business Offices; or, consult any of our employees, who will gladly serve you.

SHANGHAI TELEPHONE COMPANY
232 KIANGSE ROAD - TELEPHONE 94090

82-331

Wang Ching-wei Explains China's Diplomatic Policy

An article by Wang Ching-wei, Chairman of the Central Political Council, entitled "Seeking Allied States and Unifying the Masses," published in all Chinese newspapers Nov. 12 on the occasion of the 71st birth anniversary of the late Dr. Sun Yat-sen, stressed that inasmuch as it has been decided that China's diplomatic policy should follow the international peace route, all nations which are opposed to acts of aggression may become China's allied states. China will take it upon her shoulders to win the sympathy of other countries, seek assistance from them and will work with them for the purpose of applying sanctions against aggressors. Such attitude should always be pursued by China not only in ordinary times.

The present international situation, in the opinion of Mr. Wang, is favorable for China to seek allied states, because the resistance put up by her against aggression is not only for the sake of safeguarding her national existence but also for the sake of upholding world peace and international justice.

Dwelling upon China's relations with Fascist countries, Mr. Wang stated that so far as political ideology is concerned, each country has its own political freedom and each may adopt a political system best suited to its own conditions. So no country need compel another country to follow the same political system.

In the matter of interests, Mr. Wang fails to see how they could conflict with each other. There is especially no reason why China should cease befriending Fascist states when their mutual friendship, commercial and economic relations are closer and closer as days go by.

Mr. Wang said he is especially impressed by the revival of Germany. After defeat in the World War, Mr. Wang says, Germany has been unceasingly striving to shake herself from the bondage of unequal treatment and to restore her status on an equal plane with other nations.

As to other countries, Mr. Wang asserted, although they do not have close relations with China, the just stand they have taken on the ground of righteousness and humanity has benefited the world as well as China.

Sino-Japanese Hostilities Continue on Four Fronts

Recent Chinese official reports called attention to the fact that the Sino-Japanese hostilities are now divided into four fronts: the eastern front, comprising the Shanghai-Nanking and Shanghai-Hangchow Railways; the western front in Shansi and Suiyuan provinces; the northern front along the Tientsin-Pukow and Peiping-Hankow Railways; and the southern front in Kwangtung and Fukien provinces.

Kwang Hwa University Destroyed by Fire—Fire Brigade Not Summoned

Kwang Hwa University, one of the best known and biggest educational institutions in Shanghai, situated beyond Great Western Road and near Chungshan Road, burst into flames on the night of Nov. 12. The university lies in the Japanese-controlled territory just across the Shanghai-Hangchow railway line. The blaze was reported by the Shanghai Fire Brigade watchtower but as no request was received to quell the conflagration, engines did not turn out. The fire was allowed to burn itself out with the result that the entire University was gutted.

It is generally understood that the Japanese set fire to Kwang Hua in retaliation for the destriction of Tung Wen University, which they ascribed to Chinese action.

"Sin Wen Pao" Discusses Heavy Losses Sustained by Japan

Discussing the heavy losses of the Japanese people in the present Sino-Japanese war, the *Sin Wen Pao* in an editorial Nov. 9 commented: "There are two estimates about the cost of Japan's military adventure in China. One estimate places the total military expenditure in the neighborhood of Yen 12,000,000,000 and the other at Yen 10,000,000 a day, or rather Yen 3,600,000,000 a year. The Japanese Government is taking definite actions and is making serious efforts to raise military funds. From the amount of money which Japan has raised and will raise, we may come to the conclusion that the total military expenditure of the Japanese military operations in China for one year is about Yen 3,600,000,000 rather than Yen 12,000,000,000. The Japanese Government issued for the first time bonds to the amount of Yen 96,000,000. The second attempt was made in the increase of taxes to the estimated amount of Yen 102,000,000 and the issuance of another bond of Yen 308,000,000. The third action was the issuance of another bond of Yen 2,000,000,000, of which Yen 200,000,000 will be issued during the first period ending on November 30. In December bonds of Yen 500,000,000 will be issued and taxes to the amount of Yen 102,000,000 will be raised, of which Yen 36,000,000 will be collected in 1938. "Although the total military expenses of Japan for one year will be Yen 3,600,000,000, it is about four times that of the expenses spent by Japan during the Russo-Japanese war, which lasted for one year and eight months."

Britain Uses Financial Power to Ease European Situation

The financial power of Britain was again brought into play this week in connection with international politics, as the result of which there are good chances of the tension in Europe being decidedly eased. The principal source of danger has been the revolution in Spain. There are indications that this may be brought to an end in the not distant future through the good offices of Britain, both politically and financially.

Britain is making a commercial arrangement with General Franco, as the result of which the British will regain control of their iron mining interests in the Bilbao district and also their mines in the Rio Tinto area. This action on the part of Britain has had a natural tendency to offend the Soviets, but as against this Britain is on the verge of coming to an understanding with Germany that she would not attack Russia on the western border in case the Soviets should feel constrained to try out conclusions with Japan on the Far Eastern situation.

These movements on the part of Britain have had a tendency to isolate Mussolini very considerably, who, despite his grandiloquent pronouncements, finds himself in need of money, and the logical place to get it is London.

In this connection it is interesting to note that the London *Financial News* of Nov. 15, in giving a denial to previous reports that plans were under way to grant a British loan to Italy, commented that such would not be the case until "a sincere amelioration of Italo-British relations has occurred." One of the points on which Britain insists is that Italy shall stop its anti-British radio campaign throughout the Arab world.

A *Havas* message from London Nov. 16 stated that diplomatic circles in the British capital were of the opinion that negotiations with Italy, which have been expected since last July, would not be a question in the near future.

In the meantime the visit of Lord Halifax to Berlin indicates that Britain may be able to loosen somewhat the bond between Germany and Italy. It is foreshadowed that Britain, while not, so far, inclined to give Germany back her colonies, is willing to make decided concessions to Germany in the way of facilities for securing the raw material which German industry so badly needs. Although, for political reasons, Germany and Italy have been working closely together, there is latent in the German mentality the fear that in the last analysis Italy might repeat in the present decade what she did two decades ago, namely that while she was an ally of Germany before the World War, she actually entered the war not on the German side but on the side of the Allies.

Four Chinese Battalions Wiped Out in Siao Nanziang Defence

Four Chinese battalions true to their pledge, held out to the last man in defence of their country in a fierce engagement which took place on October 24 near Siaonanizang. The four battalions, led by their commanders, were completely wiped out by the mechanical superiority of the invaders. Not a single member retreated from the posts, and the last man died behind his machine-gun nest. Holding back the Japanese along the Menchiache-Hsinchingchiao line near Siaonanziang, the defenders succeeded in exacting a high price upon the invaders before they gave their lives to the country. No less than 1,300 Japanese were killed or wounded, it is estimated, during the bitter engagement.

All the four doomed battalions were from Hunan. Their commanders, Cols. Nieh Leh, Chow Ting-chih, Peng Cheng and Chow Feng-hsiang, were graduates of the Central Military Academy and had been in military service for several years. They were killed while leading a bayonet charge against the Japanese.

Total Chinese Casualties in Shanghai Area Placed at 300,000 by Japanese

Chinese casualties in the Shanghai area from August 23 to November 16, have been estimated by the Japanese authorities to be more than 300,000, a spokesman for the Japanese army declared Nov. 17.

Deputy Brigade Commander Li Tsung Dies of Battle Wounds

Major-Gen. Li Tsung, deputy commander of the 181st Brigade of the 61st Division, died in the Red Cross Hospital in Shanghai Nov. 12 of wounds received in battle. Major-Gen. Li was wounded on Nov. 6 while directing operations at Wuchiaku in west Shanghai south of the Soochow Creek, having been besieged by a Japanese unit for three days.

Recognition of the heroic stand made last month by the late Major-General Chiang Yu-chen, a Brigadier Commander defending Yuanping, 87 miles north of Taiyuan, the Shansi provincial capital, was given by the Executive Yuan, Nov. 9. At the cost of his own life, this gallant officer and his garrison resisted the onslaughts of the Japanese for six days and nights thereby enabling the main Chinese forces to consolidate their positions in Shansi.

Commander of Nantao Defenders, Reported Missing—Turns Up in Safety Zone

Colonel Chang Pin, commander of the Chinese brigade which defended Nantao was first reported missing, but later turned up in the Nantao safety zone.

Early Dismissal of Litvinoff Predicted

The early dismissal of Soviet Foreign Commissar, M. Litvinoff, was again forecast by the London *Daily Express* in connection with the previously reported arrests of the Soviet Ambassadors in Berlin, Warsaw and Ankara, which, according to the paper, have caused considerable consternation in the Moscow Foreign Commissariat as foreshadowing an extensive "purge" in Soviet diplomatic circles.

New Food Commissaries Appointed by Moscow Government

Three new Deputy People's Commissaries for the food industry have been appointed, according to an official announcement. They are Skrynikoff, Chigrinzeff and Madame Shemtchushina. The latter is the wife of Molotoff, the Chairman of the Council of People's Commissaries, and up to now has been director of the soap and perfumery trust.

Soviets to Spend Huge Sums in the U.S. for Warships

The Soviet government is ready to spend up to $150,000,000 for modern warship and naval equipment in the United States, a qualified spokesmen told the *Associated Press* in New York Oct. 9. The U.S. State Department's disclosure of licenses so far to spend $10,057,920 for naval vessels, armor plate, guns, and munitions was described by these authorities as "only a drop in the bucket" to what may be spent in the course of the next year.

For several months Russian agents in the U.S. have been negotiating with shipbuilding companies for prefabricated construction of two or three battleships and for 16-inch guns. This caliber gun is the largest permitted under the London treaty of 1936, signed by the United States, Britain, and France and reportedly approved by Russia as long as Japan adheres to its principles.

The maximum size in battleships now under construction or projected by major powers is 35,000 tons and their cost is about $50,000,000 each. It was indicated by the spokesmen that this type of warship is desired by the Soviet government.

Trans-Siberian Railway Under Military Control

A *Trans-Ocean* message from Moscow, Nov. 12 stated tha Soviet War Commissariat has assumed control of the Trans Siberian railway. Normal passenger traffic was suspended as the line was completely blocked by freight cars with troops and war material. All railway bridges east of Krasonjark are being closely guarded by military detachments to prevent attempts at sabotage. Passenger trains are only allowed to pass over bridges with all windows closed.

Soviets Follow Policy of Unrestricted Recognition of Equality of All Nationalities

A recent *Tass* message from Moscow pointed out that the national policy of the Soviet Government is based on complete unrestricted recognition of the equality of all nationalities of the U.S.S.R. and of their right to self-determination. It is pointed out that almost half of the Soviet population is comprised of non-Russian peoples who in the past have endured an unbearable oppression and exploitation by the government and ruling classes of the tsarist Russia.

According to the new Constitution, the U.S.S.R. is composed of eleven Union republics Russian Socialist. Federal Soviet Republic, the Ukranian, Byelorussian, Azerbaidjan, Georgian, Armenian, Turkmen, Uzbek, Tadjik, Kazakh and Kirghiz republics.

Soviets Continue Sanguinary "Purge"—Many Executions

A sanguinary background overshadows the forthcoming elections in Soviet Russia, states the Soviet Russian provincial press which point out that no fewer than 85 political functionaries and officials have been executed as a result of "purge" actions during recent weeks. The chairman of the Trade's Union Committee at Nishne-Udinsk in Siberia, Orechow, and his two collaborators, Tarnenko and Pawlow, were executed together with 44 people in Irkutsk, Siberia, on account of the murder of Stachanow workmen, 20 people in the Kaibyshew territory on the Volga were executed after "purging" the collective communities of socalled enemies of the people who—it was alleged—were system atically injuring the Russian agriculture. Amongst the last were the secretary of the district party committee at Golowitz Chino, the district public prosecutor, Proswirmew, the chairman of the village Soviet of Tschitowo Kornejew, and the chairman of the village Soviets of 12 other villages; there in addition to others.

Nothing is known about the fate of the former People's Commissaries Belenki, Levitin and Loganovski.

PAINTS AND PAINT WORK

H. B. CAMPBELL

1481 Bubbling Well Road

Phone : 34360

BED-TIME IS THE BEST TIME FOR BABY'S OWN TABLETS

Bed-time is the best time to give children Baby's Own Tablets. For infants in arms the tiny dose required may be administered at any hour of day or night. There is never any difficulty, for the Tablets are pleasant to take.

Baby's Own Tablets are guaranteed to contain no opiate, narcotic or other harmful drug, they have a mild laxative effect, neither griping nor purging. By cleansing the little one's stomach and bowels they ensure that full nourishment is derived from the food eaten. They dispel constipation, quickly relieve indigestion, check diarrhoea, break up colds and croup, allay feverishness, expel worms. During the teething period they are of special benefit, settling the stomach, thereby easing the pains and inducing sound refreshing sleep in a perfectly natural way.

Parents in all parts of the world have found in Baby's Own Tablets the ideal corrective for their children's health troubles. Sold by chemists everywhere.

SWAN, CULBERTSON & FRITZ

Investment Bankers

and Brokers in Securities and Commodities

Daily New York and London Stock Exchange Service

Sassoon House **Telephone 11200**

FOR SALE

A subscriber offers the following files of The Review for sale:

January	— April	1920
May	— July	1920
May	— December	1921
January	— April	1922
May	— August	1922
September	— December	1922
January	— April	1923

Anyone desiring to purchase these copies at a nominal price, please communicate an offer at once to

THE CHINA WEEKLY REVIEW

160 Avenue Edward VII,
Shanghai.

Tokyo Imperial Headquarters to Co-ordinate Forces in China

The Japanese Government Nov. 16 formally decided to organize Imperial headquarters for ensuring close co-operation and coordination of operations by the Army and Navy in connection with the Sino-Japanese conflict. This action, said an official announcement, indicates the Japanese Government's grim determination to carry on "punishment of the Chinese troops of the Nanking Government" to a finish.

The Cabinet decided to repeal the wartime Imperial headquarters regulations of 1930 and instead to issue a military decree establishing Imperial headquarters which will constitute the supreme command of Japan's fighting services under direct control of the Emperor, with a staff consisting of chiefs of the General staffs of the Army and Navy and Cabinet ministers.

Heavy Gold Imports from Japan to U. S.

The U. S. Department of Commerce announced Nov. 13 that gold imports from Japan during October amounted to $19,881,854. Gold imports from the Philippines in the same month were valued at $1,376,228.

Japanese Government to Issue Further Huge Loans to Cover Current Expenses

The Minister of Finance Kaya, speaking at the congress of bankers in Osaka, Nov. 14 admitted that never was the balance of foreign settlements of Japan so unfavorable as now, due to tremendous purchases of raw materials abroad. In order to prevent a still greater intensification of financial difficulties at the end of the year, the Japanese Government will issue a number of new loans to a total sum of 3,200 million yen.

Japanese Cruiser Modernized—Will Be Launched Nov. 20

A formal ceremony marking the completion of the modernization of the Japanese cruiser *Susuya* was held at the navy yards in Yokosuka Oct. 31. The new cruiser will be launched on Nov. 20.

Mrs. Matsui Offers to Be Red Cross Nurse

Mrs. Fumiko Matsui, wife of Gen. Iwane Matsui, commander-in-chief of the Japanese Expeditionary Forces in the Shanghai area, has offered her services to the headquarters of the Red Cross Society as a volunteer nurse. Mrs. Matsui had just returned from a trip through Kwansai, visiting military hospitals.

Japanese Finance Ministry Claims Lower Adverse Balance

Japan's invisible trade for 1936 resulted in an excess of payments over incomes of Yen 37,000,000, a less unfavorable balance than that shown for 1935, the Finance Ministry announced in Tokyo Nov. 14.

Payments exceeded incomes by Yen 269,000,000 in the extraordinary account, while the ordinary account showed an excess of incomes over payments of Yen 232,000,000.

In the ordinary account incomes stood at Yen 888,000,000, showing an increase of Yen 67,000,000 over the figure for 1935, while payments amounted to Yen 655,000,000, an increase of Yen 12,000,000 compared with the 1935 figure.

Compared with the excess of payments over incomes in Japan's trade for 1935, amounting to Yen 193,000,000, the adverse balance of 1936 decreased by Yen 156,000,000, the Ministry stated.

Chinese Government Organs Are Moved to Nanking

The Internal Revenue Department of the Ministry of Finance has been removed from Shanghai to Nanking according to an official announcement made by the Department Nov. 10. A Shanghai office will be maintained, however, to handle its business with local factories and business houses.

The four Government banks have also removed their head offices to Nanking. They are: the Central Bank, Bank of China, Bank of Communications and the Farmers Bank, whose main offices in Shanghai are still located in the French Concession.

Principal Yuans Move to Chungking

A *Reuter* message from Nanking Nov. 16 stated that the Executive Yuan, Legislative Yuan, Judicial Yuan, Examination Yuan and Control Yuan are moving to Chungking, in Szechwen, while the Ministry of Health, the Ministry of Finance and the Foreign Office are moving to Hankow, the latter two establishing offices there in order to be in close contact with the representatives of the Powers and with financial institutions. The Ministry of Communications, it is underttood, will have an office at Changsha, capital of Hunan province.

Military establishments, however, will be maintained in Nanking until the very last moment.

The foreign Embassies are busily making arrangements to evacuate their nationals, but are facing the very difficult problem of transport. The foreign steamers, already few in number, are completely booked, with anxious evacuees fighting for deck space and standing room.

There are still 38 British nationals in Nanking, about 70 Americans including 19 women, and about 100 Germans, among them 12 women. Their numbers are constantly increasing, however, as foreigners are pouring into Nanking from cities along the Shanghai-Nanking Railway and the Hangchow-Nanking highway.

Heavy Increase in Food Prices Follows Japanese Occupation

T. K. Ho, Deputy Secretary of the Shanghai Municipal Council, end of last week announced that several hundred rice shops in the International Settlement have begun to retail rice supplied by the Municipality. This step was taken to avoid profiteering and assure a steady supply of rice for the Chinese population. Although supplies of rice are somewhat short it is stated that there is enough flour here to last six months and the suggestion is made to the Chinese population that they should use more flour, for example in the shape of noodles, in their diet.

Prices of some of the vegetables in Shanghai have risen by 200 per cent during the last fortnight. Bamboo shoots are today 45 cents per pound instead of 30, French beans are 50 instead of 20-25 cents per pound, beetroots now sell at 30 cents the pound whereas one week ago they were only 10 cents. Cabbage, endives, garlic, lettuce, onions, potatoes and turnips have all gone up 100 per cent or more, while celery, carrots, ginger, green pepper, leeks, parsnips, pumpkin, spinach and tomatoes have also increased greatly. A report issued by the S.M.C. Superintendent of Food, Markets and Bakeries noted only one division of foodstuffs that has remained steady in the midst of the general rise. Fruits are for the most part available at prices in force a week and more ago, and Chinese oranges and Amoy pumelos have even decreased five cents.

Chinese Planes Bomb Japanese Aircraft Carrier

A squadron of Chinese bombing planes raided a Japanese aircraft carrier outside the Hangchow Bay early Nov. 11. No less than thirteen airplanes were seen aboard the carrier, which the Chinese airmen made the target of many of their bombs, a *Central News* message from Nanking stated.

Japanese Planes Carry Out Bombing Operations Along Yellow River

Air units of the Japanese Fleet, Co-operating with land forces, Nov. 13 made a series of devastating bombing raids along the Yellow River, according to a communique issued at Port Arthur Nov. 14. The planes, said the communique, bombed and sank about 25 boats loaded with military supplies in the vicinity of Kweitch and Chaokwanchen, inflicted heavy losses on Chinese forces concentrated at Chaokwanchen and Kutichen and blew up Chinese pill-box positions south of Chiho.

British Plane Parts Said Unloaded at Hongkong

Materials for 40 to 50 airplanes of the Gloster Aircraft Company, Ltd., were landed at Hongkong 10 days ago from a British ship, a *Domei* message from Tokyo Nov. 16 stated. Parts for six or seven planes were said to have been stored in the Kaitak airdrome godown and the remainder housed elsewhere, but it is expected that eventually they will be taken to Kwangtung and its vicinity, *Domei* was informed.

Engine Trouble Brings Down Huge Japanese Plane on Test Flight

Forced down by engine trouble, a huge long-distance plane which started a 60-hour test flight at Kisarazu (Japan) on the morning of Nov. 13, landed at its starting point the same afternoon, after being in the air 9 hours and 39 minutes and covering about 1,800 km.

Brazil to Purchase Italian Destroyers for Training Uses

Fourteen Italian destroyers will be purchased by Brazil for training purposes shortly, a recent telegram from Rio de Janeiro stated.

Fascism in Brazil Is Disclaimed

The Brazilian Ambassador to Washington, Dr. Oswaldo Aranha, called on the Under-Secretary of State, Summer Welles, Nov. 14 and explained that the political readjustments in Brazil had no links with Fascism.

Meanwhile, in Rio de Janeiro, Dr. Vargas, President of Brazil, declared in an interview that the new regime was not Fascist, but was an organization in conformity with the activity of the country.

Death Penalty and Confiscation of Property for Traitors

Besides the death penalty, traitors will henceforth have their private properties confiscated, according to a clause to this effect which was recently added to the Regulations governing the Punishment of Traitors (*Cheng-Chih Han-Chen Tzao-Li*) by the Military Affairs Commission, on the recommendation of the Chekiang Provincial Party Headquarters.

American Red Cross Plans U.S.$10,000,000 to Aid China War Victims

Arrangements for raising U.S.$10,000,000 to aid the war victims in China have been completed by the Red Cross Society of America, according to word received in Shanghai last week from Dr. C. T. Wang, Chinese Ambassador to the United States. The new campaign will augment the money which has already been appropriated by the American Red Cross and sent to this country for refugee and medical relief work.

Chinese Red Cross officials stated that with war areas rapidly spreading on both the Shanghai and North China front, money and medical supplies are urgently needed. They expressed gratification over the news that additional financial assistance is forthcoming from America.

Manila Chinese Contribute Liberally to China's War Chest

A *United Press* message from Manila Nov. 12 stated that the conflict in China means almost as much to the 100,000 Chinese in the Philippines as it does to the millions in China. In the Filipino capital relief and war chests receive money, clothing, bandages and medicine from thousands of Chinese of all classes. About U.S.$600,000 has been sent so far from the Philippines to China's relief and war funds. Estimated subscriptions in the Philippines to the Nanking government's Liberty Bonds run as high as U.S.$1,500,000.

Irish Sweepstakes Allot £5000 to China Relief Work

The authorities sponsoring the Irish Hospitals Sweepstakes last week announced a donation of £5000 to the International Red Cross Committee in Hankow for the relief of distress there.

More British Medical Supplies Sent to China

The second consignment of medical supplies, purchased by the Lord Mayor's fund, left London for China Nov. 12.

Overseas Chinese Contribute to Relief Funds

Forty cases of absorbent cotton from the Indo-China Cotton Mills, 101,500 boxes of clothes and foodstuffs from Chinese residents in Singapore, and 3,700 cases of relief supplies from Chinese in Malacca, were received in Nanking Nov. 15. These supplies, it is understood, represent the second batch of relief articles received from Chinese residents abroad since the inauguration of the Association about a month ago.

Gen. Hsiung Shih-hui Subscribes for $20,000 of Liberty Loan

General Hsiung Shih-hui, Chairman of the Kiangsi Provincial Government, has subscribed for $20,000 of the Liberty Bonds. His example is being followed by other officials of the Provincial Government.

Tokyo Moves to Readjust Commerce in North China

With the commercial relations between Japan and North China gradually returning to normalcy, the Tokyo Ministry of Commerce and Industry has decided to take definite steps for the readjustment of trade and commerce in that area. Indicative of this decision, it was announced in Tokyo last week, Kenju Norisugi, chief of the first section of the Bureau of Overseas Trade of the Ministry, was sent to North China Nov. 10. His investigations will form a basis for establishing a trade assistance service there.

Caustic Chinese Comment on Japan's "Threat" to Declare War on China

Japan's contemplated declaration of war on China is merely intended to coerce the Brussels Conference and to impede its proceedings, both the *Sin Wan Pao* and the *China Times* opined Nov. 8.

Both journals, in their editorials, said that there is no real necessity for this declaration, as hostilities between China and Japan have been going on in full swing for about three months and no one can deny that a state of war has been in existence.

Japanese Attitude on Shanghai Questioned in House of Commons

The British Ambassador at Tokyo, Sir Robert Craigie, was instructed this week to lodge inquiries with the Japanese Government concerning the statement made on Nov. 11 by General Iwane Matsui, Commander-in-Chief of the Japanese forces in the Shanghai area, on his attitude towards the International Settlement.

Sir Percy based his question on a report of the interview given by General Matsui to the representatives of foreign news agencies at Shanghai on November 11 (See full report elsewhere in this issue of *The Review*).

Lord Cranborne said that he had no official confirmation of the report in question and that, in any case, Japan had already assured the British Government of her intention to respect British rights and interests in China.

Safeguard yourself against weather changes, sustain your general health by keeping your system clean and your digestive tract in regular working order.

Pinkettes, the dainty little laxative liver regulators, give just the aid you need. They prevent or correct constipation, dispel liverishness, sick headaches, biliousness, aid digestion, In brief, "Pinkettes keep you well." Of chemists everywhere.

A.B.C. PRESS, SHANGHAI
Printing
in all its Branches

Your work
should bear
our imprint

In the United States Court for China

In re.	Cause No. 4097
ESTATE	
of	Special Proceedings
VERA FLORA ZIMMERMAN,	No. 1976
Deceased	NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of VERA FLORA ZIMMERMAN, deceased, to present the same with vouchers to the undersigned on or before May 1st, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Myron Wiener
c/o Rodger & Co.,
320 Szechuen Road,
Shanghai, China.

Shanghai, China.

Men and Events

W. L. Bond, Vice-President of China National Aviation Corporation, returned to Shanghai last week after a business trip to the United States.

P. H. Bordwell, Assistant General Manager of the Robert Dollar Company, returned to Shanghai last week from a business trip to the United States.

Mrs. Morris Harris, wife of the manager of the *Associated Press* at Shanghai, has returned after several weeks spent at Manila and Baguio in the Philippines.

Clarence E. Gauss, American Consul-General, was host at a dinner at the American Club on Nov. 6 in honor of Gen. John C. Beaumont, Commander of the U. S. Marine Forces at Shanghai.

About two score persons were killed and more than 50,000 made homeless by a typhoon which swept through Central Luzon (Philippines) during the night of Nov. 11.

Dr. Yen Te-ching, former Managing-Director of the Chengting-Taiyuan Railway has been transferred to head the Peiping-Hankow Railway Administration. Dr. Yen arrived in Hankow last week.

Dr. John Earl Baker, Executive Director of the International Red Cross Committee, delivered an address on "Our City's Relief Problems" in the main lounge of the Shanghai Foreign Y.M.C.A. Nov. 16.

The *Seattle Daily Mail* reports that Mrs. Arthur Espenas, wife of Lt. Espenas of the U.S.S. Mindanao of the South China Patrol, mysteriously disappeared from the *President McKinley* which arrived in Seattle on November 10.

C. M. MacDonald, correspondent in Peiping for the *London Times*, who has been in Shanghai for several days departed on Saturday of last week for Nanking where he plans to remain for some time.

Thanksgiving Day falls on Thursday, November 25, and will be observed by the American community with the traditional Church Service. This year the service will be held in the Community Church on Avenue Petain, at 11 a.m.

The death occurred in Osaka, Japan, last week of H. E. Heacock, for many years resident in China. He was the head of the jewelry firm of Heacock & Cheek, transferred from Manila to Shanghai about two decades ago. Mr. Heacock was more than 70 years of age.

W. D. Pawley, representative in China for Curtiss-Wright Airplane Export Corporation, who has been in New York for several months, has returned to China and is now in Nanking. Mr. Pawley returned by way of the Trans-Pacific Clipper plane and flew to Nanking by way of Canton and Hankow.

An announcement that henceforth, no passports and visas will be issued to the White Russians in Shanghai by the Chinese authorities was sent to the Russian Emigrants' Committee last week by the passport department of the Police Bureau of Nantao. The passport office in the *Shanghai Times* building is closed.

Major-General Feng Sheng-fa, Vice-Commander of the 88th Division, has been promoted Commander of the 58th Division, in succession to Lieut.-General Yu Chi-shih, who has been transferred to another post. Major-General Wang Ai-yun has been appointed Commander of the 76th Division.

Mrs. Vernon Clark, the American wife of the Peiping manager of the Asiatic Petroleum Company, died at Peiping Nov. 12 as the result of injuries received when she was thrown from her pony on the Glacis. Married only three months, Mrs. Clark arrived with her husband in Peiping from Tientsin only recently.

The China Merchants S.N. Co., which has leased its properties at the Kinleeyuan, Yangkadoo and Eastern Wharves to the firm of William Hunt & Co., has announced in the Chinese newspapers that from now on, until further notice, all affairs of its head office will be handled in Hankow, instead of in Shanghai.

Lieutenant-Commander John Richard Lynes, medical officer with the U.S. Sixth Marines in Shanghai, died in the Marine Brigade Hospital Nov. 15 of diphtheria. He was 38 years old. Here only two months, having come out with Marine reinforcements for the local garrison, Dr. Lynes is survived by his wife, who is in California.

The 71st anniversary of the birth of Dr. Sun Yat-sen, Founder of the Chinese Republic, was celebrated throughout China Nov. 12. In Shanghai, a public meeting was held at which more than 1000 people representing all walks of life gathered to observe a three-minute silence as a token of respect for the late National Leader. Chu Hsueh-chung delivered the principal speech.

The corpse of Hiroshi Hirayama, 25-year old city editor of the *Shanghai United News*, was discovered floating in the Whangpoo near the Customs Jetty last Sunday afternoon by constables of the Shanghai Municipal Police. Extremely active during the hostilities in Nantao and around the Soochow Creek, Mr. Hirayama mysteriously disappeared on the night of November 7. An autopsy failed to reveal the cause of his death.

Two Chinese police sergeants in Shanghai were wounded, one of them seriously, when C.P.C. 2423 coming off duty at the Louza Station early Nov. 16 drew his service gun and in the presence of many other constables fired six shots, five of which took effect. The attack came so suddenly that the constable had almost emptied his gun before several men seized him. He submitted to arrest without offering any great resistance.

Mayor O. K. Yui, in his capacity as the Chinese military spokesman, Nov. 12 announced the suspension, indefinitely, of the press conference which he had been presided over for the last two months. "As the Chinese line of defence has now been removed from the immediate environs of Shanghai," he told the gathering, "the press conference, which is concerned solely with fighting in the Shanghai areas, will be suspended until further notice."

A Hungarian Nazi author named Malnasi was sentenced this week to serve two months in prison, for publishing a book criticizing conditions in the country. The Budapest authorities confiscated all the copies of the book. The author argued that for the last 900 years the little aristocratic minority, high officials, and members of the church, had been oppressing the majority of the Hungarian nation composed of peasants and laborers.

Judgment was given in the British Supreme Court Nov. 15 by Judge Grant Jones in favor of Edward Ezra & Co., landlords, against E. S. Little, trading as "Nu Enamel" for one month's rent, $215 and costs. The point at issue raised by defendant was that he had been unable to use the premises owing to their having been boarded up (as a result of the war situation.) The Court ruled that in any event the landlord was entitled to a month's notice from the defendant.

The University of Shanghai, School of Commerce (Downtown) is sponsoring a series of lectures on Chinese Culture in co-operation with the Royal Asiatic Society. There will be 12 lectures and six tours to visit collections and exhibits in Shanghai. The Lecturers Laurell, Educational Director of the Royal Asiatic Society, Shanghai Branch. The fee for the series will be $10.00, (the cost of transportation in connection with tours not included).

Three hundred persons were killed and 50 injured as a result of a landslide on Komenashiyama mountain, on the border of Nagano and Gumma prefectures, in Central Japan, Nov. 11. The landslide, which was of unusual magnitude, overwhelmed the Kaizuma copper mine and the dwellings of 1,300 miners. The majority of the victims were workers at the pithead and inhabitants in the vicinity, including about 50 children, who were buried under the falling earth. A hundred and eight miners working in the pit were found unscathed. The landslide is now believed to have been caused by a powder dump exploding.

ARRIVAL OF ISTHMIAN STEAMER "STEEL TRAVELER" HERALDS REOPENING OF PORT OF SHANGHAI

(*Continued from page 270*)

it of any ships, especially large liners, which are likely to arrive in the near future. This is so that the necessary special arrangements for the landing of passengers and the discharging of cargo may be completed well in advance.

Communication with Interior of China Open Through Interior Waterways

Although communications between Shanghai and inland cities by land have been disrupted as a result of the withdrawal of Chinese forces from areas around the city, four water routes are still open to travellers to the interior, according to Chinese press reports.

One of the marine services, according to the information, leads from Shanghai to Nantungchow en route to Chinkiang, where highways and the Shanghai-Nanking Railway may take one to various cities. Another has for its destinction Tsingtao, the eastern terminal of the Kiaochow-Tsinan Railway, which connects up with the Tientsin-Pukow Railway at Tsinanfu.

From Shanghai, a third navigation line is open to Canton via Hongkong, while the fourth marine route links Shanghai with Ningpo, thence with Hangchow.

According to these reports, traffic has been very heavy during the past few days on each of the four routes, through which interior are now largely handled.

New British Cruiser for China in January

The new cruiser *Birmingham* will be commissioned at Portsmouth on November 23, and will proceed to China in January under Capt. C. F. Harris, to replace the *Cornwall*, which is to join the Home Fleet.

Italian Air Squadrons May Visit Japan

Arrangements are under way for the flight, next Spring to Japan of a number of Italian air squadrons, the *United Press* in Rome, learned Nov. 13 from usually dependable sources.

U.S. To Spend $2,000,000 on Pacific Islands

The U.S. Government plans to spend $2,000,000 on harbor improvements at Midway Island and channel improvements at Wake Island, it was revealed in Honolulu, Nov. 13.

New Books of Interest in the Far East

Land Tenure and Economy in Korea

Land Utilization and Rural Economy in Korea, by Hoon K. Lee. Kelly and Walsh, Limited, Shanghai. $7.50.

Dr. Lee, who is vice-president and professor of agricultural economics in the Union Christian College of Korea, made a study of the utilization of land in Korea at the request of the Institute of Pacific Relations, and under the directorship of the American Geographical Society. The present book is the result of his study, which is doubtless the first such report on conditions in Korea available to the foreign reader. A commendable feature of the work is Dr. Lee's effort to eliminate all coloring and to let facts speak for themselves. He includes only a minimum of interpretation in order to convey the meaning of facts, and their significance.

The first chapter tells of the general conditions bearing on land utilization and rural economy, such as climate, geological features, soils, natural resources, communication, population and educational facilities. The Japanese own nine-tenths of the total capital investment in industry in Korea, and employ more than one-half of the total number of laborers. The Japanese produce more than three-fifths of the total output of all factories. Commerce is almost monopolized by Japanese merchants. Prior to the annexation of Korea its doors were wide open, and all nations enjoyed equal opportunity. Since the annexation, Dr. Lee finds, Japanese manufactured goods have gradually replaced those of foreign make, and have driven out nearly all of the Korean goods which were produced by cottage and handicraft methods. Japanese retailers and wholesalers have penetrated even to the remote mountain sections, carrying with them goods made in Japan. All traffic and communications, except for a few bus and ferry lines, are managed by the Government or by Japanese individuals. No steamers are owned by Koreans in Korea, and even the sailing boats are mostly Japanese owned. The cardinal principle of education in Korea is the Japanization of Koreans, the Government making every possible effort to make Korean subjects loyal to the Japanese Empire. The Japanese language is required of every school child, but the Korean language is receiving scant attention from the educational authorities. The educational facilities for the Koreans are very limited. The consequence is a large percentage of illiteracy.

Korean agriculture is accomplished by manual effort alone, and no large tools are used in any section of the country. Farm units are minute in size. Nearly all crops cultivated in the north temperate zone are found, including delicious fruits. Few farm animals are to be found, and then they are not highly developed. Cattle are used for farm work, and for leather their hides are of good quality. Horses are small, but can stand hard work and coarse feeding. Sericulture is of extreme importance to Korean housewives, and with the cultivation of silkworms comes the necessary cultivation of mulberry trees. Farming methods are simple, with an utter absence of a "rest" year for rotation, and a noticeable absence of dairying. Farm houses are gathered together into villages within easy walking distance of the small plots of ground under cultivation. Group work is often seen, one farmer aiding another in transplanting, weeding, harvesting.

The average size of the Korean farm is around 3.5 acres. The land is put under crops several times in a single year. All arable land, called "fields" or "paddy fields," is utilized, and there is the constant search for reclamation of land and the breaking-up of as yet untilled land.

Land ownership is governmental and private. Much hatred has been fostered in the hearts of Korean farmers because of the Japanese government's avowed policy of sending Japanese colonization groups to Korea. Small owners are losing their land to Japanese capitalists. Rent generally amounts to one-half of the yield, though sometimes it goes as high a four-fifths or even nine-tenths of the crops. The living conditions of tenants are very unfavorable and miserable. After meeting their rent and other debts they have nothing left. In cases of tenants objecting to treatment of the landlords the Government always takes a strong hand in siding with the landlord.

The Government is doing well in reforesting the denuded areas, of which there are many. Fully 70 per cent of all Korea is forest land, with large areas denuded. Korea is very rich in minerals of various kinds. Mines were chiefly foreign owned until the Japanese Government prohibited all foreign mining activities, except those mines already in operation.

Included in capital investments other than land are farm buildings, tools, and manure. Almost all labor is man and animal. Laborers are paid little, and the labor market is dull, with the result the wage level is low. Individual lenders of money to farmers are known for their usury, and many of the farmers are in debt to such, even though they could get better rates from banks and credit agencies. The farmers are also in a very disadvantageous

In the United States Court for China

In re.
ESTATE
of
MARY LETITIA CHANDLER,
Deceased

Cause No. 4258.
Special Proceedings
No. 2137.
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Mary Letitia Chandler, deceased, to present the same with vouchers to the undersigned on or before May 1st, 1938, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

James B. Davies, Administrator
c/o Allman, Davies & Kops,
208 Hamilton House,
Shanghai, China.

Shanghai, China.
Dated October 26, 1937.

In the United States Court for China

In re.
LAST WILL AND TESTAMENT
of
HUBERT SYLVAIN HONIGSBERG,
Deceased

Cause No. 4242
Special Proceedings
No. 2121
NOTICE
Filed at Shanghai, China, November 5th, 1937.
William T. Collins, Clerk
By N.E. Lurton
Deputy Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Hubert Sylvain Honigsberg, deceased, to present the same with vouchers to the undersigned on or before 14th day of May, 1938, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

H. D. RODGER,
Administrator Ad Colligendum
of the Estate of H. S. Honigsberg,
deceased.

Shanghai, China.

In the United States Court for China

AT SHANGHAI CHINA

In re:	Cause No. 4100
Estate of	Estate No. 1979
	ORDER
JOSEPH MICLO,	Filed at Shanghai, China, this 10th day of August, 1937.
Deceased.	
	William T. Collins, Clerk.

ORDER.

The Application of the Administrator in the above entitled Cause requesting an ORDER of this Court to be directed to JOSEPH DONAT MICLO, and/or his heirs-at-law, ALFONSE MICLO, and/or his heirs-at-law, and MARCEL MICLO, and/or his heirs-at-law assumed to be the heirs-at-law of JOSEPH MICLO, Deceased, whose Estate is now in the course of administration in this Court, and it further appearing that the above Joseph Donat Miclo, Alfonse Miclo and Marcel Miclo are dead not having been heard of by near known relatives of said Joseph Miclo, Deceased, for some thirty years or more, and it appearing that there is an uncertainty whether they are alive or dead, and it further appearing that it is necessary for the administrator of this Estate to be informed of all heirs-at-law of said Joseph Miclo, Deceased, for the purpose of making distribution of the assets of said Estate, IT IS HEREBY ORDERED.

That Joseph Donat Miclo and/or his heirs-at-law, Alfonse Miclo, and/or his heirs-at-law, and Marcel Miclo, and/or his heirs-at-law and all known and unknown heirs-at-law of Joseph Miclo, Deceased be duly notified in the manner hereinafter mentioned to submit in this Court on or before the first day of January, 1938, their evidence of proof positive of their respective kinship to Joseph Miclo, Deceased, as his heir or heirs-at-law, if they or any of them intend to participate in the distribution of the assets of this Estate, if found duly entitled thereto, and all communications in this respect shall be addressed, as follows:

The Clerk of the United States Court for China, Shanghai, China.

AND IT IS FURTHER ORDERED that a copy of this ORDER be caused to be published in a newspaper in general circulation in the City of Orbey, Department of Haut-Rhin, Alsace, Lorraine, France, and in the City of Paris, France, in the French language, and also in the CHINA WEEKLY REVIEW, a newspaper of general circulation in the City of Shanghai, China, in the English language, and that this ORDER shall be published in said newspapers on the first and second Saturdays, each, of the months of October, November and December, 1937.

BY THE COURT.
MILTON J. HELMICK,
Judge of the United States Court for China.

82-338

position when it comes to marketing their products. They pay more and receive less as time goes on. The standard of living seems to be steadily falling, with the result farmers are trying to emigrate to Manchuria, since they cannot go to Japan to compete with Japanese labor. Any agricultural colonization in Korea is done by the Japanese, with benefits to Japanese farmers.

The book includes more than a hundred tables and 12 maps and charts, all of which add to the value of this most exhaustive study of land and the farmer in Korea. A careful study of the entire book will arouse one's pity for the Korean peasant who has fallen into debt, reduced his standard of living and is still faced with extinction as a farmer. A most important book in its field.

M. V.

A Study of the American Government

Government in the United States, by Claudius O. Johnson. Thomas Y. Crowell Company, New York. $4. Second edition, revised, 1937. 735 pages.

Prof. Johnson's *Government in the United States* is presented in a lively, readable style. It abounds with illustrative material, yet is not burdened with meticulous detail.

The approach to American Government is from a functional standpoint, not the historic national, state, local approach. The presentation is simple, conveying the realities of government up to date. Essentially a textbook for a course in American Government, and one already in use in many universities, the revised edition has been prepared to include governmental changs since 1933.

Among the most interesting chapters to the average person interested in finding out what government there is in the United States are those on: The foundations of American Government; the Federal Constitution; citizenship and suffrage; political parties, nominations, campaigns and elections; the President and his powers; and the structure, organization and powers of Congress. A necessary book in the library of every student of government.

M. V.

The History of Cooperatives

Cooperatives and Church and State, two Headline Books published by the Foreign Policy Association, New York City, U.S. 25 cents each.

The object of Headline Books is to aid the discussion of important international problems by providing a balanced background against which the reader may make up his own mind on the questions under discussion.

The history of cooperatives is traced in the different countries where they operate, with present conditions of the movement. Many illustrative figures of comparison are included. The movement is said to be a means of improving the living conditions of the people; to train the working classes in the handling of capital; and as part of a new social order in which competition and production for profit will be replaced by planning and production for use.

The relationship between Church and State in the world today is vividly set forth. Evaluations of the relationship between Church and State in Russia, Germany, Spain, Italy, Mexico, and the United States are made. The communists now worship faith in science; the Nazis, the soul of the German people; Italy, the state is Catholic, but above all exclusively, essentially Fascist. Americans have insisted on separation of Church and State to such an extent the teaching of religion is barred from public schools to maintain complete impartialkity. Yet the schools assume the responsibility for character education, the teaching of fundamental values and the development of a sense of social responsibility. The result is the children are likely to assume religion is unimportant. There are conflicts in moral issues and in matters of conscience, over which many clergy in America are outspoken. Such expressions of opinion are sure to meet opposition from those who feel the Church should not interfere in public questions.

M. V.

Many Ships With Raw Materials from the U.S. on Way to Japan

Boats are rushing through the Panama Canal loaded with raw materials for Japan, the Balboa correspondent of the New York *Times*, reported Nov. 15. Last week the following boats passed through the Canal headed for Kobe: The German steamer, Assuan, carrying 7,595 tons of steel, oil and cotton; the British cargo boat, City of Carnton, 6,032 tons of aluminum; and the Japanese cargo boats, Kiyosu Maru and Kosei Maru, carrying respectively 7,405 and 7,117 tons of iron.

The British vessel, Queen of Adelaide, carrying 6,166 tons of gasoline, was headed for Hongkong, and the British steamer, Baron Jedburgh, with 9,668 tons of iron, cleared the Canal for Yokohama.